

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

Annual report pursuant to section 13 and 15(d)

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### FILER

#### NAVTEQ CORP

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

(Mark one)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-21323

**NAVTEQ CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**77-0170321**

(I.R.S. Employer Identification No.)

**425 W. Randolph Street**

**Chicago, Illinois 60606**

(Address of Principal Executive  
Offices, including Zip Code)

**(312) 894-7000**

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class

Name of each exchange on which registered

Common stock, par value \$.001 per share

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes ☒

No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the registrant's knowledge, in the definitive proxy statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of June 29, 2007, the aggregate market value of the registrant's common stock held by non-affiliates, computed by reference to the price at which the common stock was last sold, equaled approximately \$4,142,256,418

The number of shares of the registrant's common stock, \$0.001 par value, outstanding as of February 6, 2008 was 98,639,313.

## DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's 2008 Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. If the Proxy Statement is not filed within this 120 day period, the Company will file an amendment to this Annual Report on Form 10-K to provide the required information.

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## PART I

Certain statements in this document contain or may contain information that is forward-looking within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by the terminology used—for example, words and phrases such as "may," "should," "expect," "anticipate," "plan," "believe," "estimate," "predict" and other comparable terminology typically would be deemed forward-looking. Actual events or results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors, including, without limitation, the risks described in this annual report under "Item 1A. Risk Factors." Readers should carefully review this annual report in its entirety, including, but not limited to, the financial statements and notes thereto. NAVTEQ Corporation undertakes no obligation to publicly release any revisions to such forward-looking statements to reflect events or circumstances after the date hereof. You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. The information contained herein may only be accurate as of the date of this document.

References in this annual report to "NAVTEQ," "the Company," "we," "us," and "our" refer to NAVTEQ Corporation and its subsidiaries.

### Item 1. Business.

#### Our Company

We are a leading provider of comprehensive digital map information and other location-based content, including real-time traffic information, for automotive navigation systems, mobile navigation devices and Internet-based mapping applications. Our map database enables providers of these products and services to offer dynamic navigation, route planning, location-based services and other geographic information-based products and services to consumer and commercial users. We believe that our database is the most used source of digital map information for automotive and Internet-based navigation products and services in Europe and North America, and that we are a leading provider of such information for use in mobile devices. Our traffic information is also provided to traditional radio and television stations, and federal, state and local governmental entities.

By developing software applications that interface with our map database, our customers offer a broad range of navigation and geographic-based products and services to consumers and businesses. Our database enables these providers to offer:

- *Dynamic Navigation.* Our map database enables real-time, detailed turn-by-turn route guidance through vehicle navigation systems, as well as through GPS-enabled handheld navigation devices, and other mobile devices. Customers that use our map database to provide dynamic navigation applications include vehicle navigation systems manufacturers, such as Harman Becker, Alpine and Siemens, and mobile navigation device manufacturers, such as Garmin and Magellan. Every major automobile manufacturer that currently offers a navigation system in North America or Europe uses our database in one or more of its models.
- *Route Planning.* Our database enables driving directions, route optimization and map display through services provided by Internet portals and through computer software for personal and commercial use. Customers that use our map database to provide route planning applications include leading Internet portals and websites, such as AOL/MapQuest, Microsoft/MSN, Google and Yahoo!, software developers, such as Microsoft and Rand McNally, and leading parcel and overnight delivery service companies. In 2007, there were more than 57 billion route planning transactions derived from our database in North America on the leading Internet portals and websites.
- *Location-Based Services.* Our database enables location-specific information services, providing geographic information about people and places that is tailored to the immediate proximity of the specific user. Current applications using our map database include points of interest locators, mobile directory assistance services, emergency response systems, and vehicle-based telematics services. Customers that use our map database to provide location-based products and services include directory assistance providers, police and emergency care providers and wireless carriers.
- *Geographic Information Systems.* Our database enables software applications that render geographic representations of information and assets for management analysis and decision making. Examples of these applications include infrastructure cataloging and tracking for government agencies and utility companies, asset tracking and fleet management for commercial logistics companies and demographic analysis, such as new location identification for restaurants and policyholder and claims analysis for insurance companies.

Our map database is a highly accurate and detailed digital representation of road transportation networks in Europe, the United States, Canada and other regions. Our database offers extensive geographic coverage, including data at various levels of detail for 69 countries on six continents, covering approximately 11 million miles of roadway worldwide. In Europe, our database covers virtually all main arterial roads within Western Europe's major highways network and has detailed coverage for numerous cities throughout Europe. We currently provide coverage relating to approximately 6.1 million miles of roadway in North America, which includes detailed coverage in areas in which a majority of the population live and work. Our most detailed coverage includes extensive road, route and related travel information, including attributes collected by road segment that are essential for routing and navigation, such

as road classifications, details regarding ramps, road barriers, sign information, street names and addresses and traffic rules and regulations. In addition, our database currently includes over 18 million points of interest, such as airports, hotels, restaurants, retailers, civic offices and cultural sites.

We use a multi-step process to create, maintain and deliver a high-quality database. The process involves utilization of proprietary software and technologies combined with our dedicated field force of over 700 employees around the world.

### **Pending Merger with Nokia**

On October 1, 2007, we entered into an Agreement and Plan of Merger (“Nokia Merger Agreement”) with Nokia Inc., a Delaware corporation (“Parent”), North Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent (“Purchaser”) and, for certain purposes set forth in the Nokia Merger Agreement, Nokia Corporation, a corporation organized and existing under the laws of the Republic of Finland. Subject to the terms and conditions of the Nokia Merger Agreement, Purchaser will be merged with and into us (the “Nokia Merger”), each outstanding share of our common stock, par value \$0.001 per share, will be converted into the right to receive \$78.00 in cash, without interest, and we will survive the Nokia Merger as a wholly-owned subsidiary of Parent. All unvested options to purchase common stock will accelerate and vest in full immediately prior to the consummation of the Nokia Merger. Option holders will receive a cash payment for each option held equal to the excess of \$78.00 over the applicable option exercise price, less taxes.

The Nokia Merger Agreement includes customary representations, warranties and covenants of the parties and is subject to customary closing conditions, including certain regulatory reviews and approvals. The Nokia Merger Agreement also contains certain termination rights for both us and Parent and further provides that we will be required to pay Parent a termination fee of \$250 million if the Nokia Merger Agreement is terminated under certain specified circumstances. The Nokia Merger Agreement was approved and adopted by our stockholders at a special meeting of stockholders on December 12, 2007.

The foregoing description of the Nokia Merger Agreement and the Nokia Merger does not purport to be complete and is qualified in its entirety by reference to the Nokia Merger Agreement filed as Exhibit 2.1 to our Current Report on Form 8-K dated October 1, 2007, which is incorporated herein by reference.

### **Acquisition of Mapsolute**

On November 6, 2007, NAVTEQ German Holdings B.V., a private company with limited liability organized under the laws of The Netherlands (“NAVTEQ Germany”), Mapsolute GmbH, a limited liability company organized under the laws of Germany (“Mapsolute”) and each of the stockholders of Mapsolute entered into a Stock Purchase Agreement pursuant to which NAVTEQ Germany acquired all of the outstanding capital stock of Mapsolute for a total purchase price of approximately \$42 million, subject to certain potential purchase price adjustments. Mapsolute is one of the leading suppliers of geographic software for interactive mapping applications. Mapsolute’s unique technology provides a foundation for serving accurate and up-to-date digital map data on a variety of platforms, including Internet, enterprise applications, desktops, and mobile devices. As a result, Mapsolute’s flexible product suite is used in various vertical markets, such as fleet tracking, telematics, logistics, geo-marketing, CRM software, and Internet portals. Mapsolute also operates Map24.com, which is one of Germany’s most visited consumer mapping portals.

The foregoing description of the Stock Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Stock Purchase Agreement filed as Exhibit 10.1 to our Current Report on Form 8-K dated November 7, 2007, which is incorporated herein by reference.

### **Acquisition of Traffic.com**

On November 5, 2006, we entered into an Agreement and Plan of Merger (the “Traffic.com Merger Agreement”) by and among Traffic.com, Inc., a Delaware corporation (“Traffic.com”), NAVTEQ Holdings B.V., a corporation organized under the laws of The Netherlands and wholly-owned subsidiary of NAVTEQ, NAVTEQ Holdings Delaware, Inc., a Delaware corporation (“Merger Subsidiary”) and an indirect wholly-owned subsidiary of NAVTEQ, and us, pursuant to which Traffic.com was merged with and into Merger Subsidiary effective on the closing date (the “Traffic.com Merger”). The closing date of the acquisition was March 6, 2007. Upon consummation of the Traffic.com Merger, the separate existence of Traffic.com ceased, and Merger Subsidiary was the surviving corporation. The name of the Merger Subsidiary was changed at closing to Traffic.com, Inc. The total cost of the transaction was approximately \$187 million, including consideration given to Traffic.com shareholders and direct costs of the acquisition.

Traffic.com continues to be a leading provider of accurate, real-time traffic information in the United States, based on the quality of its traffic data and the extent of its geographic coverage. Traffic.com combines traffic incident and event information, collected using traditional methods, with comprehensive flow data collected through its network of roadside sensors to offer detailed traffic information, including specific speeds, travel times and delay times. Traffic.com has built its TIMS data management system to process the above information in real time and to deliver customized reports to large numbers of radio, television, online, mobile device, and in-vehicle navigation system users.

Pursuant to the Traffic.com Merger Agreement, at the effective time of the Traffic.com Merger, each share outstanding of Traffic.com common stock was converted into the right to receive, at the election of the holder thereof (subject to certain conditions, including those pertaining to pro-ratio): (i) \$8.00 in cash, without interest or (ii) 0.235 shares of our common stock, par value \$0.001 per share. The election of cash or stock was subject to a limit on total cash consideration of approximately \$49 million (minus the cash value of dissenting shares) and a total stock consideration equal to approximately 4.3 million shares of our common stock (less the shares of our common stock issued to holders of warrants to purchase Traffic.com stock that were exchanged for our common stock based on the per share stock consideration).

## **Corporate Information**

We originally incorporated in the State of California in August 1985 as Karlin & Collins, Inc., and reincorporated in the State of Delaware in September 1987 as Navigation Technologies Corporation. In February 2004, we changed our name to NAVTEQ Corporation. Our principal executive offices are located at 425 W. Randolph Street, Chicago, Illinois 60606, and our telephone number at that address is (312) 894-7000. We maintain a web site at [www.navteq.com](http://www.navteq.com). Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments thereto, are available on our web site free of charge as soon as reasonably practicable after we file such reports with the SEC. These reports are also available without charge upon written request to Investor Relations; NAVTEQ; 425 W. Randolph Street, Chicago, Illinois 60606 or by calling (312) 894-7500. Information contained on, or that may be accessed through, our web site is not part of this annual report.

## **Industry Overview**

Consumers have traditionally relied on printed maps for vehicle navigation and route planning information. In more recent years, the use of maps in digital form has proliferated, both as a substitute for the uses provided by paper maps and for more advanced functions. In particular, the development of the digital map database industry has been, and continues to be, accelerated by the commercialization of GPS technology. Originally developed for military applications, GPS technology has been increasingly used for consumer applications and commercial usage has begun to expand as cheaper and smaller GPS chipsets have been introduced. GPS technology provides a precise latitude and longitude of an object in digital form. The usefulness of this information is enhanced by referencing it to the location of other objects. A digital map database provides a means to accurately reference relative positions of objects to each other in an automated fashion.

We are focused primarily on the segment of the digital map database industry that provides digital map information and related location-based dynamic content for a wide range of navigation, mapping and geographic-related applications in vehicle navigation, mobile devices and Internet-based mapping. This segment of the industry is currently experiencing rapid growth as a result of increasing consumer acceptance of navigation systems and route planning services and the active efforts today of a variety of businesses in several industries to develop and market a wide range of applications and services that incorporate a digital map database and related location-based dynamic content. Currently, the principal providers of such information within this industry segment range from several commercial providers (primarily, NAVTEQ and Tele Atlas N.V.) to numerous governmental and quasi-governmental mapping agencies (such as Ordnance Survey in the United Kingdom) that license map data for commercial use. We believe that we are the number one provider in North America and Europe within this industry segment based on revenue.

We believe that the digital map database industry will grow and evolve due to the rapid adoption of new technologies, applications and products. A variety of businesses in several industries are actively developing and marketing a wide range of applications and services that incorporate a digital map database.

Currently, we provide our digital map database and related location-based dynamic content in several areas, as described below.

### *Vehicle Navigation*

The automotive industry led the early adoption of GPS-enabled navigation technologies. Vehicle navigation customers, consisting primarily of automobile manufacturers and their navigation systems suppliers, are currently our largest channel by revenue. However, we believe that mobile devices will represent a majority of our revenue from digital map database sales in the near future. In 2006 and 2007, approximately 66% and 52%, respectively, of our revenue was generated from sales of our map database for use in self-contained navigation hardware and software systems installed in vehicles. Although we expect our revenue generated from sales to the vehicle navigation industry will continue to grow, we expect that these sales as a percentage of our total revenue will decline over time, primarily due to anticipated higher growth rates in the use of our database in GPS-enabled mobile devices. Our sales in the vehicle navigation industry are primarily in Western Europe and North America.

A number of factors are expected to continue to drive growth in the penetration of navigation systems in Europe and North America. Technological advancements and manufacturing economies from higher production volumes are expected to lead to a continual decrease in the average price of vehicle navigation systems although this has not occurred as rapidly as we had expected. Additionally, as competition among automobile manufacturers intensifies, they will increasingly look for ways to differentiate their product offerings. As a result, we expect automobile manufacturers in North America to continue to expand beyond offering navigation systems primarily in the luxury and sport utility vehicle classes to other vehicle classes, and to seek additional location-based dynamic content such as real-time traffic information.

### *Mobile Devices*

A variety of mobile devices have been introduced in recent years that are GPS-enabled and capable of supporting dynamic navigation and location-based services applications. These include mobile phones (including smart phones), personal digital assistants (PDAs) and portable navigation devices (PNDs). Demand for navigation and location-based products and services is growing as consumers become more familiar with and depend upon real-time electronically delivered information. We believe that the confluence of nascent market demand for location-based services, government regulation requiring or encouraging mobile phones to be location-enabled and the desire of wireless service providers to increase their average revenue per user will continue to drive the development of location-based applications and result in accelerated growth in this area in the future.

### *Internet-based Mapping Applications*

Leading websites and portals, such as AOL/MapQuest, Microsoft/MSN, Google and Yahoo!, derive a substantial amount of traffic from consumers seeking route planning services such as static digital maps and point-to-point driving directions. Many of the leading websites and portals offering route planning services use our database to provide these services. The revenue we receive from these websites/portals does not represent a substantial portion of our business; however, we view this business to be an important driver of consumer awareness of digital route planning services and increased comfort levels with the more advanced dynamic navigation offerings in the vehicle and mobile device industries. In 2007, there were more than 57 billion route planning transactions derived from our database in North America on the leading Internet portals and websites.

### *Other Applications*



Commercial enterprises and government agencies also deploy location-based applications to manage certain aspects of their business. Businesses with large fleets of vehicles benefit from understanding the changing location of the vehicles and optimizing routing in order to achieve fuel and labor efficiencies. Many consumer businesses such as insurers and retailers use geographic information to analyze their customer bases, while utility companies use precise geographic information to understand the location of their assets.

## Competitive Strengths

We believe that we enjoy a number of important competitive strengths that drive our success and differentiate us in the various industries we serve, including:

- *Market Leadership.* We are the leader in providing digital map information to automobile manufacturers and automotive navigation systems manufacturers in Europe and North America. Every major automobile manufacturer that currently offers a navigation system in Europe and North America uses our database in one or more of their models. We believe that we are the leading provider to Internet sites providing route planning services in North America. We also believe that our experience and reputation in serving these markets enhances our ability to penetrate other industries utilizing highly accurate digital map data, such as the emerging location-enabled mobile device market.
- *Extensive Global Coverage.* An important consideration to automobile manufacturers, navigation systems suppliers and Internet portals is the ability to provide a comprehensive global product offering. We offer extensive geographic coverage, including 69 countries on six continents covering approximately 11 million miles of roadway.
- *Detail and Richness of Our Database.* We offer a highly-detailed database, enabling real-time, turn-by-turn route guidance to specific addresses, points of interest and other locations. Unlike basic road maps, our map database currently can have over 260 unique attributes for a particular road segment, including details regarding ramps, road barriers, sign information, street names and addresses and traffic rules and regulations. Our database also includes information on an array of points of interest, such as airports, hotels, restaurants, retailers, civic offices and cultural sites. We believe that the inclusion of detailed navigation-related information as well as points of interest make our product more useful and relevant to users, enhancing the overall navigation experience. We continue to expand the detail and breadth of coverage of the database through direct collection and third party sources.
- *Integrated Data Collection Process.* We have a data collection process that combines proprietary technology with a global field force of over 700 trained technicians, enabling us to effectively collect, update and verify detailed road network data. We also believe that our data collection process provides superior quality and accuracy, as our field force experiences the roadway in the same manner as end-users, and that this quality and accuracy provides us with a distinct competitive advantage over comparable databases that are aggregated solely or more primarily from third party sources.
- *Consistent Global Specification.* Our maintenance of common data standards and a uniform digital mapping approach worldwide enables us to deliver highly accurate, timely and consistent data to our customers. Maintaining a consistent global specification not only enables us to rapidly enhance maps and add attributes in new or existing coverage areas, but also allows us to meet our customers' objectives of uniform quality and format on a global basis. This minimizes their costs and time required to process our data and incorporate it into their products and services. To the extent we acquire digital map databases, we intend to migrate the acquired databases to our global specification.

*Strong Business Relationships.* We have long-standing, collaborative relationships with manufacturers of automobiles, vehicle navigation systems and mobile devices. We are a direct supplier to a number of the major automobile manufacturers, including BMW, Daimler, Chrysler, Fiat, Ford, General Motors, Porsche, PSA Peugeot Citroën, Renault and Volkswagen. We also supply some of these automobile manufacturers and others, such as Honda and Toyota, indirectly through relationships with the major navigation systems manufacturers, including AISIN AW, Alpine, Denso, Harman Becker, Siemens and Mitsubishi. In addition, we have established relationships with a number of GPS-enabled mobile device manufacturers, such as Garmin and Magellan. We work closely with some of these manufacturers at various points in the product life cycle to facilitate their use of our database. In this case, we collaborate with our customers in their engineering,



marketing, information technology and/or sales functions and in any other areas within their organizations that are integral to their use of our map database. We believe this approach benefits our customers.

## Our Database

Our principal product is a map database that is a digital representation of road transportation networks in Europe, North America and other regions. Our database is constructed to provide the high level of accuracy and detail necessary to support a variety of applications providing dynamic navigation, route planning, location-based services and other geographic information-based products and services. We believe our digital map has the most extensive navigable geographic coverage of any commercially available today, currently including coverage at various levels of detail for 69 countries on six continents, covering approximately 11 million miles of roadway.

We devote significant resources to creating, updating and enhancing our data and maintaining its quality. We also have made significant investments in software and related tools for database creation and updating. Our database is constructed to the same overall specifications regardless of coverage area so that product developers, manufacturers and service providers generally can design a single product that can be sold globally.

We provide varying levels of coverage ranging from intertown coverage, which is our base coverage, to detailed coverage, which is our most comprehensive coverage. Detailed coverage provides sufficient detail to allow turn-by-turn route guidance to addresses, points of interest and other locations within detailed coverage areas. Road network coverage, which is the coverage level in between detailed coverage and intertown coverage, typically includes most roads in the covered area with the exception of some local, residential or rural roads (referred to as functional class 5 roads) with verification made of roads that typically contain the most complex driving and navigating decisions (referred to as functional class 1-4 roads). Intertown coverage includes the major roadways and select local travel information, and seamlessly connects the detailed coverages. Route guidance products typically incorporate both detailed and intertown information.

In the United States and Canada, our database covers close to 100% of both the population and the public road network. Detailed coverage is complete for cities and their respective surrounding areas, covering in the aggregate approximately 75% of the total combined population of North America. In Western Europe and Eastern Europe, our database covers approximately 100% and 29%, respectively, of the population of the countries listed below under Europe.

We currently offer coverage in the following countries:

### North America

- United States (including Puerto Rico and Virgin Islands)
- Canada
- Mexico

### Europe

- Albania
- Andorra
- Austria
- Belarus
- Belgium
- Bosnia and Herzegovina
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- England (including Crown Territories, Isle
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Macedonia
- Moldova
- Monaco
- Montenegro
- Romania
- Russia
- San Marino
- Scotland
- Serbia
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- Ukraine

of Man, Channel Islands  
and Gibraltar)

- Estonia
- Finland

- The Netherlands
- Northern Ireland

- Norway
- Poland

- Vatican City

- Wales

- France
- Germany

- Portugal

## Rest of World

- Australia
- Bahrain
- Botswana
- Brazil

- Kuwait
- Lesotho
- Malaysia
- Namibia

- South Africa
- South Korea
- Swaziland
- Taiwan
- Thailand

- China (Hong Kong and  
Macao)\*
- India

- Oman
- Qatar
- Saudi Arabia
- Singapore

- United Arab  
Emirates

\*We also offer data for mainland China indirectly through our Chinese joint venture, NAV2.

Creating, maintaining and delivering a comprehensive, high quality map database is a multi-step, labor-intensive process. We currently employ over 270 employees in our centralized production facility and a global workforce of over 700 geographic analysts in 32 countries, all working with a consistent build methodology and using one global specification.

The major steps in building our digital map database include:

- *Source Acquisition.* When building a map of a new area, it is generally more efficient and productive for us to start with a base map with basic road network information. Under the leadership of our field operations, we evaluate national, regional and local sources of private and publicly available information to obtain base road information and other points of interest, such as airports, hotels, restaurants, retailers, civic offices and cultural sites.

During initial database creation, our field force develops relationships with authorities at all levels responsible for the roadways in order to gather driving rules and other information and field-verify the database. In some cases, reliable third party source material may not be available. In these instances, we initiate field data collection.

- *Digitization.* Source material may either be in a digital or analog format (such as paper maps or aerial photography). For analog sources, we must digitize the information (convert the source material into an electronic format). This work is generally accomplished in our production facility or through select outsourcing.
- *Geometry.* The base road geometry is then associated with the appropriate longitude and latitude in a variety of ways, including field drives and the use of digital imagery.

- *Field Data Collection.* Using proprietary tools and processes, we supplement the base map data with complex geographic data, street name information and navigation information or attributes (such as barriers, one-way restrictions, turn restrictions and other driving rules and points of interest) by direct observation using our field force.
- *Geocoding.* We use our proprietary technologies and methods to convert the data that we have collected into our database according to our specifications. Our method consists of creating a geometric base of elements that represent objects in the real world and then applying additional data, such as street names and addresses, postal codes and one-way road information.
- *Data Validation.* Throughout the data entry process, hundreds of validation tests automatically check the accuracy of the data, indicating when field verification through direct observation is needed for resolution. This is complemented by periodic reports monitoring data quality and on-site field-testing of randomly selected geographic areas.

After our maps are created, we then process the data into a variety of formats and data sets for delivery to our customers in the data extraction process.

Once initial development for an area is complete we continually update our database to reflect changes to the roadway network, points of interest, and new content, and we release these updates to our customers on a periodic basis throughout the year. The major steps in maintaining and updating our digital map database include:

- *Large-Scale Sources.* When available, we utilize large-scale information (such as, governmental postal file information or high resolution digital imagery) to identify changes in our database.
- *Local Sources.* We also use our field force's network of local and regional contacts to identify changes or additions to the road

network. Our local field offices gather information on road conditions and plans from multiple sources, check data quality and continually validate database information.

- *Customer Input.* Customer and end-user feedback is captured through a comprehensive database update request process used to identify errors and anomalies in the data.
- *Field Data Collection.* Areas requiring updates or changes to the database are integrated into our on-going data-collection drive plans in order to capture the specific attribution required for navigation through direct observation.

In connection with the licensing of our map database, we sometimes provide our customers with related distribution and technical support services. These additional services facilitate the use and adoption of our database by assisting our customers with the complexities of distributing storage media (for example, multiple formats, languages and countries) and reducing their development costs and time to market for their products and services that use our data.

Distribution services include the manufacturing and shipping of digital storage media to automobile manufacturers and dealers or directly to end-users, as well as a complete range of services, including inventory management, order processing, on-line credit card processing, multi-currency processing, localized VAT handling and consumer call center support. We handle several million pieces of storage media annually (both CDs and DVDs) and some component of our distribution services are currently used by more than 20 car brands.

Technical support services include technical content support, technical software support, resident engineering and program management. Technical content support is provided to all customers to assist them in optimizing use of our data in their products and services. Technical software support provides shelf-ready, third party and custom software tools and solutions. Finally, resident engineering and program management services help define and manage broad program implementation to ensure successful product launches. Our technical support

services are designed to facilitate more successful and rapid entry by our customers into the navigation market, accelerate growth of the entire navigation market and enhance the relationship between us and our customers. Our technical support service staff also works closely with both sales personnel and customers to better understand customer requirements for new product deployment.

## **Research and Development**

Investing in research and development is a critical part of our continued growth and success. Our global technology team consists of over 500 employees, focusing on initiatives to better serve our customers' needs as well as to improve our efficiency. We also outsource some of our software development and data production functions to third parties located in foreign countries. This enables us to leverage a global talent pool and complete projects in a cost effective and timely manner.

Our customers' evolving uses and requirements for our map database and location-related content drive our technology developments and innovations in data gathering, processing, delivery and deployment. Our technology effort will continue to focus on system software tools and services that enable us to efficiently create, manage and deliver the map database and related content. We expect to continue to develop proprietary technologies where appropriate and to purchase or license technologies where cost-effective.

We believe that a significant factor in the successful creation and updating of our database is our proprietary software environment. We employ an integrated approach to our database, software support and operations environments. We devote significant resources and expertise to the development of a customized data management software system. We also have built our workstation software to enable sophisticated database creation and the performance of updating tasks in a well-controlled and efficient environment. A particular capability that we have developed in this area is the ability to access the common database from any of our 180 satellite offices and the ability to edit portions of the data concurrently among several users. Our proprietary software enables our field force to gather data on a real-time basis on portable computers in field vehicles. Once the data has been gathered and stored on portable computers, our field force performs further data processing at our field offices before integrating the changes into the common database. In addition, we have recently migrated to an enhanced database platform that will enable us to support electronic, incremental delivery of map data and reduce latency between data collection, database updates and distribution of information. The new system will also enable us to provide on-demand delivery of map and content updates to our customers.

## **Marketing and Database Distribution**

Our marketing efforts include a direct sales force, attendance and exhibition at trade shows and conferences, advertisements in relevant industry periodicals, direct sales mailings and advertisements, electronic mailings, Internet-based marketing and co-marketing with customers.

We provide our data to end-users through multiple distribution methods. For example, our customers produce copies of our data on various media, such as CD-ROMs, DVDs and other storage media. Our customers then distribute those media to end-users directly and indirectly through retail establishments, automobile manufacturers and their dealers, and other re-distributors. The media may be sold by our customer separately from its products, bundled with its products or otherwise incorporated into its products. We also produce copies of our data and distribute those copies to end-users both directly and indirectly through automobile manufacturers and their dealers. In those cases where we produce and distribute copies to end-users, the copies are compiled into our customers'

proprietary format for use with the customers' products. Additionally, some of our customers store our data on servers and distribute information, such as map images and driving directions, derived from our data over the Internet and through other communication networks.

## **Customers**

We provide our database to automobile manufacturers and dealers, navigation systems manufacturers, software developers, Internet portals, parcel and overnight delivery services companies and governmental and quasi-governmental entities, among others. Our customers include

developers and marketers of vehicle and mobile navigation systems and devices, providers of route planning and map display applications, providers of location-based products and services and providers of other geographic information-based products and services. We have entered into written agreements of various types, principally license agreements, with each of our customers. The majority of these agreements, however, are not requirements contracts.

The following table presents a representative sample of our customers and their respective map-based applications.

Industry Type	Map-Based Applications	Representative Customers
Vehicle Navigation	<ul style="list-style-type: none"> <li>• Dynamic navigation</li> <li>• Telematics services</li> <li>• Real-time traffic data</li> </ul>	<ul style="list-style-type: none"> <li>• BMW, Daimler, Chrysler, VW-Audi, PSA Peugeot Citroën, Ford, General Motors (Automotive)</li> <li>• Harman Becker, AISIN AW, Alpine, Siemens, Denso (Navigation systems manufacturers)</li> <li>• OnStar, ATX (Telematic)</li> <li>• XM Satellite Radio, Sirius Satellite Radio</li> </ul>
Mobile Devices	<ul style="list-style-type: none"> <li>• Map display</li> <li>• Driving directions</li> <li>• Dynamic navigation</li> </ul>	<ul style="list-style-type: none"> <li>• Nokia, Garmin, Magellan, T-Info, Verizon Wireless deCarta, PTV, Tel-Map</li> </ul>
Internet-Based Mapping	<ul style="list-style-type: none"> <li>• Map display</li> <li>• Driving directions</li> </ul>	<ul style="list-style-type: none"> <li>• AOL/MapQuest, Microsoft/MSN, Yahoo!, Google (Internet portals)</li> <li>• Microsoft, Rand McNally (PC Software)</li> </ul>
Other  (Commercial Logistics, Geographic Information Analysis, Media, etc.)	<ul style="list-style-type: none"> <li>• Asset tracking/fleet management</li> <li>• Route optimization</li> <li>• Geographic information</li> <li>• Emergency response</li> <li>• Traffic management</li> </ul>	<ul style="list-style-type: none"> <li>• Leading parcel and overnight delivery service companies, PTV, ESRI Federal, state, local and quasi-government agencies</li> <li>• Initiative Media, MediaCom (Media)</li> </ul>

During the fiscal years ended December 31, 2006 and 2007, BMW AG (including its affiliates) represented approximately 12% and 9% of revenue, respectively. We sell copies of our database and map disks to BMW in North America and Europe pursuant to BMW's standard purchasing terms and conditions, modified in specific instances by separate agreements with BMW. BMW is not obligated to make any minimum purchases under these arrangements. We have also entered into an agreement with BMW to develop a database for South Africa and to sell copies of this database and map disks to BMW.

During the fiscal year ended December 31, 2006 and 2007, Garmin International (including its affiliates) represented approximately 9% and 15% of revenue, respectively. We license copies of our geographic database and related content for countries around the world to Garmin pursuant to a data license agreement. Garmin is not obligated to make any minimum purchases under this agreement.

In addition, for the years ended December 31, 2005, 2006 and 2007, sales to our top 15 customers accounted for approximately 76%, 71% and 65% of our revenue, respectively.

## License Agreements

We license and distribute our database in several ways, including licensing and delivering our database to our business customers, such as application developers and service providers, who then distribute the database directly or indirectly to business and consumer end-users in connection with their products and services. We also license and distribute our database directly (or indirectly through distributors) to both business and consumer end-users. In addition to the basic license terms that typically provide for non-exclusive licenses, our license agreements generally include additional terms and conditions relating to the specific use of the data.

Our license fees vary depending on several factors, including the content of the data to be used by the product or service, the use for which the data has been licensed and the geographical scope of the data. The license fees paid for the licenses are usually on a per-copy basis or a per-transaction basis. In general, there is no requirement that a customer sell a minimum number of copies or transactions, although certain of the licenses require a minimum annual license fee or other minimum fee to be paid by the customer to us.

Certain of the license agreements allow our customers to require or request us to produce copies of the database on their behalf and to deliver those copies to the customer or to another distributor for redistribution to consumer end-users. Similarly, we produce and deliver database copies to automobile manufacturers pursuant to purchase orders or other agreements, and the automobile manufacturers and their dealers redistribute the copies to automobile purchasers. If a customer elects for us to provide these database copies, or if we agree to provide these copies to an automobile manufacturer, then this customer, automobile manufacturer or another party is obligated to pay us a fee for each copy that we produce and deliver which includes a per-copy license fee and a service fee for packaging and distribution.

## Competition

The market for map information is highly competitive. We compete with other companies and governmental and quasi-governmental agencies that provide map information to a wide variety of users in a wide range of applications with varying levels of functionality. We believe that the principal elements of competition in the market for map information are:

- the geographic coverage of the database;
- the range and specificity of the information in the database;
- database accuracy;
- value-added services;
- content;
- the price to customers for the use of the database; and
- the availability of software and hardware products that are compatible with the database (or available or used in products/services that use this map information).

We currently have several major competitors, including Tele Atlas N.V. (which has announced an agreement to be acquired by TomTom N.V.) and numerous European governmental and quasi-governmental mapping agencies (e.g., Ordnance Survey in the United Kingdom) that license map data for commercial use, as well as many local competitors in geographic areas outside of North America and Europe. Also, AND Automotive Navigation Data has announced that it will be expanding its coverage of mapping data that supports navigation from countries of Eastern Europe to countries of Western Europe, and Facet Technologies has announced its launch of mapping data that supports

navigation for the United States, with plans to expand to Canada and Europe. Governmental and quasi-governmental agencies are making more map data information with greater coverage and content, and higher quality, available free of charge or at lower prices, which may encourage new market entrants or reduce the demand for fee-based products and services which incorporate our map database. Several companies are also now providing aerial, satellite and other location-based imagery which provides our customers with an alternative to our map data and makes it less costly and time-consuming for competitors to build a high quality map database similar to our database. In addition, some of our customers prefer to license data from several vendors in order to diversify their sources of supply and to maintain competitive and pricing pressure. We expect that we will continue to operate in a highly competitive environment following the completion of TomTom's acquisition of Tele Atlas.

Additionally, we have intense competition in providing traffic information to radio and television stations across the United States as Traffic.com derives the majority of its revenues via advertising on radio and television stations. We have several major competitors, including Westwood One and Clear Channel Communications, that have the ability to provide these services to radio and television stations as well, which could result in price reductions, reduced profit margins or loss of business. These competitors have longer operating histories with respect to traffic information and more established relationships with advertisers. Our traffic data also competes with smaller, start-up companies that make use of publicly available traffic data from government sources.

Increased competition from our current competitors or new market entrants (which may include our customers) with respect to quality content, pricing, and otherwise, actions taken by our customers to diversify their sources of supply and increased pricing pressure, initiatives to develop community and probe-based map data or related data, such as traffic data, and other competitive pressures, may result in price reductions, reduced profit margins or loss of business.

## **Intellectual Property**

Our success and ability to compete are dependent, in part, upon our ability to establish and adequately protect our intellectual property rights. In this regard, we rely primarily on a combination of copyright laws (including, in Europe, database protection laws), trade secrets and patents to establish and protect our intellectual property rights in our database, software and related technology. We hold a total of more than 268 U.S. patents, which cover a variety of technologies, including technologies relating to the collection and distribution of geographical and other data, data organization and format, and database evaluation and analysis tools. Although we actively attempt to utilize patents to protect our technologies, we believe that none of our patents, individually or in the aggregate, are material to our business. We have licensed others to practice certain of our patents or patent rights and expect to continue licensing certain of our patents or patent rights in the future. We also protect our database, software and related technology, in part, through the terms of our license agreements and by confidentiality agreements with our employees, consultants, customers and others. We also claim rights in our trademarks and service marks. Certain of our marks are registered in the United States, Europe and elsewhere and we have filed applications to register certain other marks in these jurisdictions. We have licensed others to use certain of our marks in connection with our database and expect to continue licensing certain of our marks in the future.

NAVTEQ is a trademark of NAVTEQ Corporation, Traffic.com is a trademark of Traffic.com, Inc. and Map Network is a trademark of The Map Network, Inc. All other trademarks or service marks appearing in this annual report are trademarks or service marks of others.

## **Seasonality**

Revenue derived from the use of our data in location-enabled mobile devices, as opposed to in-vehicle navigation devices, is becoming a much more significant part of our overall operating results. As such, our total revenue will likely have a more seasonal pattern with first quarter revenue generally being relatively weaker than other quarters and fourth quarter revenue generally being relatively stronger than other quarters. Since we are in the early stages of this shift in our revenue, our ability to forecast our revenue, particularly in the fourth quarter, may be limited, and may result in material differences between any forecasted operating results and our actual results. This could cause volatility in our stock price. In addition, if we become more dependent on revenues associated with location-enabled devices, our business may be more



sensitive to the general strength of the fourth quarter holiday shopping season and external retail shopping factors, each of which could significantly negatively impact our business.

## Employees

As of December 31, 2007, we had a total of 3,349 employees. We believe that relations with our employees are good, and we have not experienced any work stoppages due to labor disputes.

## International Operations

We have substantial operations in Europe and other jurisdictions and we expect a significant portion of our revenues and expenses will be generated by our European operations in the future. Accordingly, our operating results are and will continue to be subject to the risks of doing business in foreign countries, including compliance with, or changes in, the laws and regulatory requirements of various foreign countries and the European Union, difficulties in staffing and managing foreign subsidiary operations, taxes, trade barriers and business interruptions. In addition, substantially all of our expenses and revenues relating to our international operations are denominated in foreign currencies. We are not currently engaged in activities to hedge our foreign currency exposures. We are, and will continue to be, subject to risks related to foreign currency fluctuations until we engage in such hedging activities, if ever. Any of these matters could increase our expenses and have a material adverse effect on our financial condition and results of operations.

The following summarizes net revenue on a geographic basis for the years ended December 31, 2005, 2006 and 2007 (in thousands):

	Years Ended December 31,		
	2005	2006	2007
Net revenue:			
EMEA	\$ 316,208	360,056	472,523
Americas	172,789	216,150	373,303
Asia Pacific	7,515	5,413	7,561
Total net revenue	<u>\$ 496,512</u>	<u>581,619</u>	<u>853,387</u>

We derive our revenues primarily from database license fees. Revenues for geographic data of Europe, North America and Korea are attributed to Europe, Middle East, and Africa ("EMEA"), Americas and Asia Pacific, respectively. Revenues for geographic data for

Central and South America are attributed to Americas. Revenues for geographic data for countries outside of Europe, the Americas and Korea are attributed to EMEA, and are not material.

The following summarizes long-lived assets on a geographic basis as of December 31, 2006 and 2007 (in thousands):

	December 31,	
	2006	2007
Property and equipment, net:		
EMEA	\$ 7,077	10,220
Americas	19,810	100,834
Asia Pacific	575	633
Total property and equipment, net	<u>\$ 27,462</u>	<u>111,687</u>

Capitalized software development costs, net:		
EMEA	\$ 1,454	9,255
Americas	17,390	17,829
Asia Pacific	–	–
Total capitalized software development costs, net	<u>\$ 18,844</u>	<u>27,084</u>

## Executive Officers of the Registrant

Our executive officers and their ages and positions, as of February 15, 2008, are as follows:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
<i>Executive officers:</i>		
Judson C. Green(1)	55	President, Chief Executive Officer and Director
Lawrence M. Kaplan	44	Executive Vice President, General Counsel and Corporate Secretary
John K. MacLeod	50	Executive Vice President, NAVTEQ Connected Services
Jeffrey L. Mize	44	Executive Vice President, NAVTEQ Sales
David B. Mullen	57	Executive Vice President and Chief Financial Officer
Denise M. Doyle	35	Senior Vice President, Business Affairs
Clifford I. Fox	52	Senior Vice President, NAVTEQ Map
Winston Guillory, Jr.(2)	51	Senior Vice President, Consumer and Business Sales
Amreesh Modi	56	Senior Vice President and Chief Technology Officer
Christine C. Moore	58	Senior Vice President, Human Resources
Richard E. Shuman	55	Senior Vice President, Asia Pacific Sales
Kelly A. Smith	44	Senior Vice President, Corporate Marketing

(1)Serves as a member of our board of directors pursuant to the terms of his employment agreement.

(2)Mr. Guillory has retired from NAVTEQ effective March 2, 2008.

## Executive Officers

*Judson C. Green* serves as our President and Chief Executive Officer and as a member of our board of directors. Mr. Green joined us in May 2000. Previously, Mr. Green was the President of Walt Disney Attractions, the theme park and resort segment of The Walt Disney Company, from August 1991 until December 1998, and Chairman from December 1998 until April 2000. Prior to his positions at Walt Disney Attractions, he served as Chief Financial Officer of The Walt Disney Company from December 1989 until August 1991. Mr. Green is also currently a director of Harley-Davidson, Inc. Mr. Green holds a M.B.A. from the University of Chicago Graduate School of Business and a bachelor's degree in economics from DePauw University.

*Lawrence M. Kaplan* serves as our Executive Vice President, General Counsel and Corporate Secretary. Mr. Kaplan joined us in 1995 as our Director of Intellectual Property and became Vice President and General Counsel in January 2001 before being promoted to Senior Vice President in December 2004 and Executive Vice President in January 2008. Previously, he was an attorney in private practice with the law firm of Brinks Hofer Gilson & Lione. Mr. Kaplan holds a J.D. from the University of Illinois College of Law and a B.S. in general engineering from the University of Illinois.

*John K. MacLeod* serves as our Executive Vice President, NAVTEQ Connected Services. Mr. MacLeod joined us in September 2000 as Executive Vice President, Marketing and Sales for North America and World Markets and also served as our Executive Vice President, Global Marketing and Strategy. From November 1999 until September 2000 he was an independent consultant. From

January 1996 until November 1999, Mr. MacLeod was Senior Vice President–Development and Operations, Sony Retail Entertainment division of Sony Corporation of America, which division's principal business was location-based entertainment. Mr. MacLeod holds a M.B.A. from the Stanford Graduate School of Business and a bachelor's degree in economics from Harvard.

*Jeffrey L. Mize* serves as our Executive Vice President, NAVTEQ Sales. Mr. Mize joined us in March 2001 as Sales Director, North America Vehicle Applications. In March 2003, he was promoted to Vice President and General Manager, Europe Vehicle Applications, and relocated to Frankfurt, Germany. In January 2006, he was promoted to Senior Vice President, Vehicle Sales. Mr. Mize was then promoted to Executive Vice President, NAVTEQ Sales in January 2008. In 1986, Mr. Mize began his career at the MICRO SWITCH Division of Honeywell and held a variety of sales and marketing positions in the automotive OEM and industrial factory floor automation markets. In 1998, he joined C&K Systems, a manufacturer of electronic security equipment, as the Vice President of Sales and Operations for the Americas. In 1999, Honeywell acquired C&K and Mr. Mize re-joined Honeywell as a Vice President of Sales for the Security Division until joining NAVTEQ. Mr. Mize holds a B.S. in Electrical Engineering from the University of Illinois at Champaign.

*David B. Mullen* serves as our Executive Vice President and Chief Financial Officer. Prior to joining us in December 2002, he was Chief Financial Officer of Allscripts Healthcare Solutions, Inc., a healthcare technology firm, from August 1997 to September 2002. From 1995 to 1997, Mr. Mullen was Chief Financial Officer of Enterprise Systems, a publicly-held healthcare software company. Earlier he held several top management positions with CCC Information Services, a software and information services company serving the insurance industry, and spent a number of years in the audit and systems consulting practices of Ernst & Young LLP. Mr. Mullen holds a M.B.A. from the Wharton School at the University of Pennsylvania and a bachelor's degree in statistics from Princeton University. Mr. Mullen is a director of Eagle Test Systems.

*Denise M. Doyle* serves as our Senior Vice President, Business Affairs. Ms. Doyle has been with us since 1999 and has held positions of increasing responsibility within the Business Affairs organization. Ms. Doyle was promoted to Senior Vice President, Business Affairs in January 2008. Prior to joining us, Ms. Doyle held corporate strategy and product management positions at Miller Brewing Company, America Online, Inc. and Wilton Industries, Inc. Ms. Doyle holds a B.A. degree in international studies from St. Norbert College.

*Clifford I. Fox* serves as our Senior Vice President, NAVTEQ Map. Mr. Fox joined us in June 2000 and has served in several senior level positions including Vice President and General Manager Sales for In-Vehicle Applications and Vice President Global Product Management. Previously he worked for twenty three years at Honeywell. The last nine of these years was spent working in various senior management positions including Director of Sales, Marketing and Engineering for the Automotive Sensor business, Director of Business Development and Director of Customer Support. Mr. Fox holds a B.S. in Physics from Iowa State University.

*Winston Guillory, Jr.* serves as our Senior Vice President, Consumer and Business Sales and is retiring effective March 2, 2008. Mr. Guillory joined us in July 2003 as Senior Vice President, North America Sales. Prior to joining us, Mr. Guillory worked from 1997 until 2002 in senior executive sales roles for Intermec Technologies, a leading provider of supply chain information products, services and technologies. Earlier he held senior sales positions with Weblink Wireless, Inc, a leading wireless company in North America, and Visual Information Technology, a provider of image processing hardware. Mr. Guillory spent the first nine years of his career at IBM in a variety of marketing and sales management roles. Mr. Guillory holds a B.B.A. in marketing from Lamar University.

*Amreesh Modi* serves as our Senior Vice President and Chief Technology Officer. Before joining us in December 2006, he held a number of senior positions at Motorola, Inc., most recently as Vice President, Integrated Communications Solutions. Before Motorola, Mr. Modi was at Bell Laboratories for nearly 15 years in various product management and engineering positions. Mr. Modi holds a B.S. in Electrical Engineering from Gujarat University in India, an M.S. in Electrical Engineering from the University of Wisconsin at Madison and an MBA from the University of Chicago Graduate School of Business.

*Christine C. Moore* serves as our Senior Vice President, Human Resources. Ms. Moore joined us in June 2000. Ms. Moore was promoted to Senior Vice President, Human Resources in January 2008. Previously, Ms. Moore was with The Walt Disney Company for almost 30 years, most recently as Director, Communications and Special Projects, for the Chairman of Disney's Theme Parks and Resorts Division. During her career with Disney, Ms. Moore held a variety of positions including General Manager, Human Resources, for the Disneyland Paris project,

and Manager of Administration and Personnel for the Walt Disney World Resorts. Ms. Moore holds a Masters degree from the Crummer School of Business and a B.A. in both English and history from Marshall University.

*Richard E. Shuman* serves as our Senior Vice President, Asia-Pacific Sales. Mr. Shuman has been with us since 1987, and prior to his current position, Mr. Shuman held several other senior level positions, including General Manager, Vehicle Applications Europe, Senior Director, Automotive Business Development and Vice President, Asia-Pacific Sales. Mr. Shuman joined us from Cellular Business Systems Inc., where he was Vice President of Operations from 1984 to 1987. Prior to that, he was Regional Manager for SEI Information Technology. Mr. Shuman holds a B.A. in performance music from Roosevelt University.

*Kelly A. Smith* serves as our Senior Vice President, Corporate Marketing. Ms. Smith joined us in 2001 as our Vice President, Marketing Communications and became Vice President, Corporate Marketing in January 2006. Ms. Smith was promoted to Senior Vice President, Corporate Marketing in January 2008. Previously, she led Corporate Marketing at Donnelly Corporation, an

automotive supply company, and held a variety of positions at Leo Burnett Company and DMB&B, large multi-national advertising agencies. Ms. Smith holds a B.B.A. in Marketing from the University of Notre Dame.

## **Item 1A. Risk Factors.**

### **Risks Related to Our Business**

***In the event our proposed merger with Nokia is not consummated, our business, results of operations and market price of our common stock would likely be materially and adversely affected.***

NAVTEQ entered into a merger agreement with Nokia Inc., North Acquisition Corp. and Nokia Corporation on October 1, 2007, pursuant to which Nokia Inc. will acquire NAVTEQ. The announcement and pendency of the merger agreement and merger could have an adverse effect on our business generally, our customer relationships and operating results, and our ability to retain employees, including key employees. In addition, in the event that the conditions to the completion of the merger are not satisfied, including the receipt of the required regulatory approvals, or an event, change or other circumstance occurs that could give rise to the termination of the merger agreement, the merger may not be completed.

We have already incurred substantial costs in connection with the proposed merger, including fees of legal and financial advisors and accountants, fees related to stockholder litigation arising out of the announcement of the transaction and significant management resources, and we anticipate incurring additional costs prior to the closing of the merger. If the merger is not completed, we will have incurred these costs for little or no benefit. If the merger is not completed due to certain circumstances specified in the merger agreement, we also may be required to pay Nokia a termination fee of \$250 million. Further, if the merger is not completed, we may experience negative reactions from the financial markets and our customers, suppliers and employees. Each of the factors described above would likely materially and adversely affect our business, results of operations and the market price and trading volume of our common stock. In particular, if the merger is not completed for any reason, the market price of our common stock may decline to the extent that the current market price of our common stock reflects a market assumption that the merger will be completed or the market's perceptions as to the reasons why the merger was not completed.

***Restrictions on the conduct of our business prior to the completion of the pending merger with Nokia may negatively impact our results of operations and our competitive position.***

We are subject to certain restrictions under the merger agreement on the conduct of our business prior to completion of the merger, including not exceeding a certain amount in capital expenditures, not making any acquisitions, not entering into contracts exceeding a certain amount and other matters. These restrictions may prevent us from pursuing attractive business opportunities that may arise prior the completion of the

merger with Nokia that could be favorable to us and our stockholders. As a result, if the proposed merger is not completed, our results of operations and competitive position may be adversely affected.

***We derive a significant portion of our revenue from a limited number of customers, and if we are unable to maintain these customer relationships or attract additional customers, our revenue will be adversely affected.***

For the years ended December 31, 2006 and 2007, our revenue from Garmin International accounted for approximately 9% and 15% of our total revenue, respectively. For the years ended December 31, 2006 and 2007, our revenue from BMW AG accounted for approximately 12% and 9%, respectively, of our total revenue. In addition, sales to our top 15 customers for the years ended December 31, 2005, 2006 and 2007 accounted for approximately 76%, 71% and 65% of our revenue, respectively. Although we have achieved some success in expanding our customer base, we anticipate that a limited number of customers will continue to represent a significant percentage of our revenue for the foreseeable future. In addition, although we have contractual arrangements with most of our key customers, the majority of these arrangements are not long term and generally do not obligate our key customers to make any minimum or specified level of purchases. Therefore, our relationships with these key customers may or may not continue in the future, and we are not guaranteed any minimum level of revenue from them. We cannot assure you that our revenue from our current customers will reach or exceed historical levels in any future period. The loss of one or more of our key customers, or fewer or smaller orders from them, would adversely affect our revenue.

***Increased competition could result in price reductions, reduced profit margins or loss of market share by us.***

The market for map and related information, such as traffic information, is highly competitive. We compete with other companies and governmental and quasi-governmental agencies that provide map and related information to a wide variety of users in a wide range of applications with varying levels of functionality.

We currently have several major competitors in providing map information, including Tele Atlas N.V. (which recently announced an agreement to be acquired by TomTom N.V.), Internet-based mapping sites and numerous European governmental and quasi-governmental mapping agencies (e.g., Ordnance Survey in the United Kingdom) that license map data for commercial use, as well as many local competitors in geographic areas outside of North America and Europe. Also, AND Automotive Navigation Data has announced that it will be expanding its coverage of mapping data that supports navigation from countries of Eastern Europe to

countries of Western Europe, and Facet Technologies has announced its launch of mapping data that supports navigation for the United States, with plans to expand to Canada and Europe. Governmental and quasi-governmental agencies also are making more map data information with greater coverage and content, and higher quality, available free of charge or at lower prices, which may encourage new market entrants or reduce the demand for fee-based products and services which incorporate our map database. Several companies are also now providing aerial, satellite and other location-based imagery which provides our customers with an alternative to our map data and makes it less costly and time-consuming for competitors to build a high quality map database similar to our database. In addition, some of our customers prefer to license data from several vendors in order to diversify their sources of supply and to maintain competitive and pricing pressures. We expect that we will continue to operate in a highly competitive environment following the closing of TomTom's acquisition of Tele Atlas.

Additionally, we have intense competition in providing traffic information to radio and television stations across the United States as Traffic.com derives the majority of its revenues via advertising on radio and television stations. We have several major competitors, including Westwood One and Clear Channel Communications, that have the ability to provide these services to radio and television stations as well, which could result in price reductions, reduced profit margins or loss of business. These competitors have longer operating histories with respect to traffic information and more established relationships with advertisers. Our traffic data also competes with smaller, start-up companies that make use of publicly available traffic data from government sources.

Increased competition from our current competitors or new market entrants (which may include our customers) with respect to quality, content, pricing, alternative location-based imagery and otherwise, actions taken by our customers to diversify their sources of supply and

increase pricing pressure, initiatives to develop community and probe-based map or related data, such as traffic data, and other competitive pressures may result in price reductions, reduced profit margins or loss of market share by us.

***If we are unable to integrate acquired companies effectively, our business could be adversely affected.***

We may pursue acquisitions of existing companies in order to grow our business, to expand the scope and breadth of our database and to diversify our products and services. We cannot assure you that we will be able to successfully integrate our recent acquisitions of Traffic.com, Inc. and Mapsolute GmbH, Inc. or any future acquisitions, that these acquired companies will operate profitably, or that we will realize the potential benefits from these acquisitions. If we do not successfully integrate acquired companies, the attention of our management may be diverted and our business, financial condition and results of operations could be adversely affected.

***The market for products and services incorporating our map database and the market for Internet and wireless advertising is evolving and its rate of growth is uncertain.***

Our success depends upon the availability and functionality of our customers' products and services, and our customers' abilities to successfully market and sell their products and services incorporating our database. Continued growth in the adoption of route guidance products in the automotive industry and in the consumer mobile device industry (in products such as mobile phones, PDAs and PNDs), technological improvements in wireless devices, such as inclusion of GPS capabilities in mobile devices and increases in functional memory, and continued development by our current and potential customers of dynamic navigation, route planning, location-based services, asset tracking and other geographic-related products and services incorporating our database, are critical to our future growth. If our customers do not continue to successfully develop and market new products and services incorporating our database, or the products that our customers develop and market do not meet consumer expectations in terms of functionality, price and quality, our revenue and operating results will be adversely affected. Even if these products and services continue to be developed and marketed by our customers and gain market acceptance, we may not be able to license the database at prices that will enable us to maintain profitable operations.

Growth in the market for vehicle navigation products and services historically has occurred first in Europe and then in North America. If the market growth in North America is not consistent with the growth we have experienced in Europe, our ability to grow our revenue will be adversely affected. In addition, we expect that the retail price for vehicle navigation products and services will significantly decrease, which will result in a more affordable price for consumers and a higher volume of sales of such products and services. This decrease in retail price has not occurred as quickly as we had expected, and the delay or lack of such decreases in the future would adversely affect our future growth.

With respect to the Internet and wireless services offered by Traffic.com through its enhanced website and the websites of its customers, it is difficult to predict their demand and market acceptance. The placement of advertisements on Traffic.com's website or embedded in its wireless services, particularly by those entities that have historically relied upon traditional media for advertising, requires the acceptance of new ways of conducting business, measuring success and evaluating new advertising products and services. Such advertisers may determine that advertising on Traffic.com's website or in its wireless services is less effective for promoting their products and services than traditional advertising media. Further, new technologies may be developed that can block Traffic.com from displaying Internet advertisements on its website, or including them in its personalized messages. The market for Internet and wireless advertising may not continue to grow or become sustainable. If the market for Internet and wireless advertising fails to continue to develop or develops more slowly than we expect, Traffic.com's business and results of operations could be harmed, which in turn could harm our business and results of operations.

***Our product offering is not diversified and if we attempt to diversify, we may not be successful.***

A substantial portion of our revenue is attributable to the licensing of our map database for route guidance applications. Consequently, if the demand for existing and new products and services incorporating our database declines or does not continue to grow, our business would be seriously harmed. Any attempt by us to diversify our product and service offerings may not be successful and may cause us to divert resources and management attention away from our core business, which could adversely affect our financial position, reputation and relationships with our customers.



In addition, with respect to our principal map database product, customers continue to request that additional types of content be included in our data. If we are unable to timely include such content in our product and service offerings or do not effectively determine what types of content to include and the related prioritization of developing such product and service offerings, our customers may purchase map data and related content elsewhere, which would adversely affect our revenue.

***If we are unable to manage our growth effectively, our profitability and ability to implement our strategy will be adversely affected.***

Our continued growth has and will continue to place significant demands on our managerial, operational and financial resources. To accommodate this growth and successfully execute our strategy, we will need to continue to hire additional qualified personnel and implement new or upgraded operating and financial systems and internal operating and financial controls and procedures throughout the Company. Our inability to expand and integrate these additions and upgrades in an efficient and timely manner could cause our expenses to increase, revenue to decline and could otherwise adversely affect our profitability and ability to implement our strategy.

***We derive the majority of our revenue from the use of our map database in vehicle navigation systems and fluctuations in the condition of the automotive market may result in fluctuations in the demand for products incorporating our database.***

The use of our database in vehicle navigation systems, which we supply directly and indirectly to automobile manufacturers, historically has accounted for a majority of our revenue. Approximately 72%, 66% and 52% of our revenue for the years ended December 31, 2005, 2006 and 2007, respectively, were generated by the sale of our database for use in new automobiles equipped with navigation systems. Any significant downturn in the demand for these products would materially decrease our revenue. The automotive market historically has experienced fluctuations due to increased competition, economic conditions and circumstances affecting the global market for automobiles generally, and additional fluctuations are likely to occur in the future. To the extent that our future revenue depends materially on sales of new automobiles equipped with navigation systems enabled by digital maps, our business may be vulnerable to these fluctuations.

***With respect to our recently acquired company, Traffic.com, if we do not achieve success with its recently expanded business model into Internet advertising and other interactive media, our ability to grow Traffic.com's revenues would be adversely affected.***

Traffic.com's revenue has historically been derived primarily by selling the advertising inventory it receives in exchange for the provision of its traffic services to radio and television stations. Substantially all of Traffic.com's revenue from its enhanced website and from personalized wireless services that it offers through its website will be derived from advertising customers. Traffic.com's success in attracting Internet advertisers will depend, in large part, on its ability to significantly increase the number of visitors to its website, the number of its registered users and the volume of its personalized wireless services delivered to consumers. Traffic.com has no significant operating history in conducting its business through the Internet or in attracting Internet advertisers. Prior to the acquisition, Traffic.com has had minimal revenue from Internet and wireless advertising. If we fail to significantly increase the number of visitors to Traffic.com's website and the related advertising revenue, our ability to grow Traffic.com's business will be adversely affected.

***If federal, state or local government agencies decide not to enter into agreements with Traffic.com or terminate existing agreements with Traffic.com, the expansion and the geographic scope of Traffic.com's business could be limited.***

Traffic.com's right to construct its sensor network in various metropolitan areas and to own the traffic flow data produced by this network is derived from agreements that it has with the U.S. federal government and state and local governments. Traffic.com is the principal subcontractor under a competitively bid contract with the U.S. Department of Transportation (U.S. DOT) and has agreements with state and local agencies under which it provides them with traffic data from its sensor network in metropolitan areas. If the federal government were to terminate Traffic.com's contract for its failure to perform, Traffic.com's ability to expand its sensor network into additional metropolitan areas would be harmed. If Traffic.com's reputation or relationship with state and local government agencies were impaired or if one or more state and local government agencies otherwise ceased doing business with it, Traffic.com may be unable to continue to collect traffic data for one or more metropolitan areas in which its sensor network is currently deployed.

As of December 31, 2007, Traffic.com had formal agreements with state and local agencies that enable it to install, operate and maintain its sensor network on public highways in more than 26 major metropolitan areas. Traffic.com's agreement with the Utah Department of



Transportation also provides for the integration of their probe data into Traffic.com's Traffic Information Management System in Salt Lake City. In addition, Traffic.com has agreements with state and local agencies that enable it to acquire government

data that it uses to produce traffic reports. Traffic.com needs similar agreements to enable it to install, operate and maintain its sensors on public highways, and to acquire government data in additional metropolitan areas.

Among the factors that could materially adversely affect Traffic.com's federal and state and local government contracting business are:

- budgetary constraints affecting government spending generally, and annual changes in fiscal policies or available funding;
- failure by it to comply with the requirements of the agreements, including failure to comply with data specifications and performance measures under its subcontract with the U.S. DOT, which could lead to various remedies being pursued against it, including contract termination, liquidated damages or a local public agency having the right to buy from it all system hardware including, among other items, sensor poles, solar panels and any components from system upgrades for a particular deployment area at fair market value;
- changes in government programs, priorities, procurement policies, permit policies or requirements;
- new legislation, regulations or government policy changes on the nature and amount of services the government may obtain from private contractors; and
- delays in the payment of its invoices by government payment offices due to problems with, or upgrades to, government information systems, or for other reasons.

These or other factors could cause governmental agencies to exercise their right to not enter into agreements, to terminate agreements or to not exercise options to renew agreements, any of which could prevent the expansion and limit the geographic scope of Traffic.com's business.

***Traffic.com derives a significant portion of its revenue from a limited number of advertisers. If we are unable to maintain these advertiser relationships or attract additional advertisers, or if there is a general downturn in advertising activity, Traffic.com's revenue will be adversely affected.***

Traffic.com has had repeat business from many of its key advertisers, however the majority of these arrangements do not obligate these key advertisers to make any minimum or specified level of purchases and the terms of these agreements may change from year to year. Therefore, Traffic.com's relationships with these key advertisers may not continue in the future, and Traffic.com generally is not guaranteed any minimum level of revenue from them. The loss of one or more of Traffic.com's large advertisers without replacement by other advertisers of similar size, or fewer or smaller orders, would adversely affect Traffic.com's revenue. If we were to fail to attract other large customers to replace this revenue or if we did not increase revenue from existing customers, Traffic.com's future revenue would not reach or exceed its historical levels. Further, spending on advertising tends to decline during an economic recession or downturn. As a result, Traffic.com's advertising revenue is likely to be adversely affected by a recession or downturn in the United States economy, the economy of an individual geographic market in which it derives significant advertising revenue or other events or circumstances that adversely affect advertising activity.

***The issuance of shares of our common stock to Traffic.com stockholders as a result of our acquisition of Traffic.com and charges associated with the acquisition may have a negative impact on our earnings per share.***

As a result of the acquisition of Traffic.com, approximately 3.9 million shares of our common stock have been issued to Traffic.com stockholders, including 57,443 shares issued to Robert Verratti, the former Chief Executive Officer of Traffic.com, pursuant to a bonus payable to him in connection with the acquisition. Based on the increased number of our shares outstanding following the acquisition, Traffic.com's historical operating losses, the accounting charges related to the acquisition and the potential for additional costs associated

with integrating Traffic.com into our business, the acquisition may result in lower earnings per share than would have been earned by us in the absence of the acquisition. We expect that over time the acquisition will yield cost and revenue synergies and other benefits to us such that the acquisition will ultimately be accretive to earnings per share. However, we cannot assure you that an increase in earnings per share will be achieved. In order to achieve increases in earnings per share as a result of the acquisition, we will, among other things, need to increase Traffic.com's revenues, including significantly growing the business of providing traffic data to new media distribution channels (such as Internet, wireless and in-vehicle navigation applications) and the corresponding advertising revenue associated therewith, successfully integrate Traffic.com's operations into our business and reduce Traffic.com's historic increases in operating expenses.

***If our customers are unable to pay their fees in a timely manner, our revenue and results of operations could be materially negatively impacted.***

We have a number of customers with individually large amounts due at any given balance sheet date. Any unanticipated change in the creditworthiness of one of these customers or other matters affecting the collectibility of amounts due from these customers could

have a material adverse affect on our results of operations in the period in which these changes or events occur and make it difficult to forecast our results. We record allowances for estimated losses from uncollectible accounts based upon specifically-identified amounts that we believe to be uncollectible. In addition, we record additional allowances based on historical experience and our assessment of the general financial condition of our customer base. If our actual collections experience changes, revisions to our allowances may be required. Our credit losses have historically been within both our expectations and the provision recorded, but fluctuations in credit loss rates in the future may affect our financial results.

***We are experiencing significant changes in our customer base which is resulting in new challenges that may decrease our growth, negatively impact our business and make it more difficult to forecast our results.***

Revenue derived from the use of our data in location-enabled mobile devices, as opposed to in-vehicle navigation devices, is becoming a much more significant part of our overall operating results. This shift is requiring us to focus on a number of factors, including the following:

- incorporating alternative pricing structures into our business models;
- the importance of brand awareness and loyalty;
- serving a larger number of small customers; and
- shorter design cycles which makes it easier to substitute map data.

If we are unable to effectively respond to these factors, our growth and business would be negatively affected.

In addition, our total revenue will likely have a more seasonal pattern with first quarter revenue generally being relatively weaker than other quarters and fourth quarter revenue generally being relatively stronger than other quarters. Since we are in the early stages of this shift in our revenue, our ability to forecast our revenue, particularly in the fourth quarter, may be limited, and may result in material differences between any forecasted operating results and our actual results. This could cause volatility in our stock price. In addition, if we become more dependent on revenues associated with location-enabled devices, our business may be more sensitive to the general strength of the fourth quarter holiday shopping season and external retail shopping factors, each of which could significantly negatively impact our business.

***Our results of operations will suffer if we are not able to maintain our license fees.***

Our profitability depends significantly on the prices we are able to charge customers for our data and other services. The license fees we charge our customers are affected by a number of factors, including:

- the quality of our data and other products and services and our customers' perception of such quality;
- brand awareness and loyalty;
- the proliferation of navigation applications in lower-cost products and services and market acceptance of those products and services;
- Our customers' expectations of lower license fees as a result of economies of scale, customer-imposed efficiency improvements and decreases in prices of hardware and software incorporating our database;
- competition;
- advances in technology that reduce the cost of geographic data acquisition;
- introduction of new services or products by us or our competitors;
- pricing policies of our competitors;
- price sensitivity of end-users of navigation products and services; and
- general economic conditions.

Any one or a combination of these factors could cause a decline in our license fees and thus, adversely affect our revenue and profitability. In addition, the success of our pricing policies is based, in part, on our assessment of the evolution of the market for products and services incorporating navigation applications, which is uncertain, and our ability to correlate the price we charge for various uses of our database. If either our assessment of the market evolution or our price correlations turn out to be incorrect, then our revenue and profitability may be adversely affected.

The automotive market and the market for mobile devices are highly competitive and manufacturers in these markets are continually

looking for ways to reduce the costs of components included in their products in order to maintain or broaden consumer acceptance of those products. Because our map database is a component incorporated in automotive, mobile phone and handheld navigational systems, we face pressure, from time to time, from our customers to lower our database license fees. We have in the past, and may in the future, need to lower our license fees to preserve customer relationships or extend use of our database to a broader range of products. To the extent we lower our license fees in the future, we cannot assure you that we will be able to achieve related increases in the use of our database or other benefits to offset fully the effects of these adjustments.

In addition, increased competition has affected our ability to maintain the level of our prices. If price adjustments resulting from increased competition are not offset by increases in sales of our database, our revenue and profitability could be adversely affected.

***One of our primary competitors has filed a complaint against us alleging various anti-competitive and tortious acts which could adversely affect our business, results of operations and financial condition.***

On April 22, 2005, Tele Atlas N.V. and Tele Atlas North America ("Tele Atlas") filed a complaint against the Company in the United States District Court for the Northern District of California. The complaint alleges that the Company violated Sections 1 and 2 of the Sherman Act, Section 3 of the Clayton Act, and Sections 16720, 16727 and 17200 of the California Business and Professions Code, and that the Company intentionally interfered with Tele Atlas' s contractual relations and prospective economic advantage with third parties, by allegedly excluding

Tele Atlas from the market for digital map data for use in navigation system applications in the United States through exclusionary and predatory practices. On August 16, 2005, Tele Atlas filed an amended complaint based on these same causes of action. Specifically, in its amended complaint, Tele Atlas alleges that the Company controls a predominant share of variously defined markets for digital map data and has entered into exclusive contracts with digital map data customers for the purpose of acquiring or maintaining an illegal monopoly in these alleged markets. Tele Atlas also contends that these allegedly exclusive contracts have interfered with Tele Atlas' current and prospective business relationships and amount to unfair competition under California state law. In addition, Tele Atlas alleges that the Company, through its license under U.S. Patent No. 5,161,886, control a predominant share of the alleged relevant technology market consisting of methods for displaying portions of a topographic map from an apparent perspective view outside and above a vehicle in the United States, and allegedly have entered into patent licenses and/or other arrangements in a manner that violates the aforesaid laws. On November 2, 2005, the Court dismissed some, but not all, of Tele Atlas' claims for failure to state valid causes of action. On November 22, 2005, Tele Atlas filed a second amended complaint based on the same causes of actions and essentially the same allegations as in its first amended complaint and the Company filed an answer denying Tele Atlas' claims. On February 19, 2007, Tele Atlas filed a Motion for Leave to Amend and Supplement Second Amended Complaint, seeking to file a third amended complaint based on the same causes of action and allegations as in its second amended complaint. Tele Atlas' s proposed third amended complaint adds allegations regarding an additional defined market for digital map data and regarding the Company' s control, through the Company' s U.S. Patent No. 6,735,515, of a technology market consisting of methods and systems designed to continuously provide driver assistance systems with updated data about paths along roads onto which a motor vehicle can travel from its current position, and use of such control to enter into a patent licenses and/or other agreements in a manner that violates federal and state antitrust laws. Tele Atlas seeks preliminary and permanent injunctive relief, unspecified monetary, exemplary and treble damages, and costs and attorneys' fees of suit. The court granted Tele Atlas' s Motion for Leave and Tele Atlas' s Third Amended Complaint was filed under seal on May 11, 2007. Fact and expert discovery has closed and the period for filing summary judgment motions has ended. The Company filed summary judgment motions seeking decisions in the Company' s favor on all of Tele Atlas' claims. This action is scheduled to begin a jury trial on July 14, 2008. The Company believes that Tele Atlas' claims are without merit. The Company intends to take all necessary steps to vigorously defend itself against this action; however, the Company cannot predict its outcome or potential effect, if any, on the Company' s business, financial position or results of operations. A negative outcome could adversely affect the Company' s business, results of operations and financial condition. Even if the Company prevails in this matter, the Company may incur significant costs in connection with its defense, experience a diversion of management time and attention, realize a negative impact on its reputation with its customers and face similar governmental and private actions based on these allegations.

***We have historically incurred operating losses and we may not achieve sustained profitability.***

Prior to the year ended December 31, 2002, we had been unprofitable on an annual basis since our inception. For the years ended December 31, 2000 and 2001, we had operating losses of \$51.3 million and \$28.9 million, respectively, and net losses of \$109.6 million and \$116.5 million, respectively. As of December 31, 2007, we had an accumulated deficit of \$14.0 million. Although we have achieved an operating profit and a net profit for the year ended December 31, 2002 and each fiscal year thereafter, we cannot assure you that our revenue will continue to grow at its current rate or that we will be able to maintain profitability in the future.

***Our dependence on our vehicle navigation systems manufacturer customers for compilation could result in a material decrease in our revenue or otherwise adversely affect our business.***

For vehicle navigation systems, we rely on our vehicle navigation systems manufacturer customers to compile copies of our map database into their proprietary formats. This can be a time and labor intensive and complex process. In some cases, these customers also are responsible for distributing the compiled database to the automobile manufacturers. If these customers do not compile or distribute our map database in a timely manner and consistent with the requirements of the automobile manufacturers, our reputation and relationships with the automobile manufacturers could be adversely affected. In other cases, our navigation systems manufacturer customers compile our map database and then return a master copy to us. We then distribute copies of the database to the automobile

manufacturers in exchange for a distribution fee. If these customers do not fulfill their obligations to us to compile our map database, or to the extent we have not entered into agreements clearly specifying their obligations or fail to do so in the future, we may not be able to satisfy our

obligations to automobile manufacturers, which could result in its contractual liability to these automobile manufacturers, and would likely decrease our revenue and adversely affect our business. Our vehicle navigation systems manufacturer customers also could decide not to provide compilation services to us, which would prevent us from providing distribution services to the automobile manufacturers with respect to these customers' navigation systems, and would result in a material decrease in our revenue.

***We derive a significant portion of our revenue from our international operations and economic, political and other inherent risks of international operations may adversely affect our financial performance.***

We have approximately 180 satellite and administrative offices in 32 countries worldwide. We have substantial operations in Europe. Approximately 64%, 62% and 55% of our total revenue for the years ended December 31, 2005, 2006 and 2007, respectively, were attributable to our European operations. We expect a significant portion of our revenue and expenses will be generated by our European operations in the future. Accordingly, our operating results are and will continue to be subject to the risks of doing business in foreign countries, which could have a material adverse effect on our business. We also collect data in various foreign jurisdictions and outsource some software development and data production functions in foreign jurisdictions. The key risks to us of operating in foreign countries include:

- reduced or inadequate intellectual property protections and/or high rates of intellectual property piracy in some jurisdictions;
- multiple, conflicting, vague and changing laws and regulations, including tax laws, employment laws, governmental approvals, permits and licenses;
- restrictions on the movement of cash;
- general political and economic instability;
- restrictions on the import and export of technologies;
- price controls or restrictions on exchange of foreign currencies;
- trade barriers, including tariffs and other laws and practices that favor local companies;
- maintenance of quality standards for outsourced work; and
- difficulties and costs in staffing and managing foreign subsidiary operations, including cultural differences.

We expect to continue to expand internationally into other countries and regions, including into emerging economies, where we believe that many of these risks are increased. In some cases, this expansion may require or result in investments in or acquisitions of local companies or other strategic relationships, any of which may involve these risks.

***Currency translation risk and currency transaction risk may adversely affect our results of operations.***

Material portions of our revenue and expenses have been generated by our EMEA operations, and we expect that our EMEA operations will account for a material portion of our revenue and expenses in the future. Substantially all of our international expenses and revenue are denominated in foreign currencies, principally the euro. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in Europe and other foreign markets in which we have operations. Accordingly, fluctuations in the value of those currencies in relation to the U.S. dollar have caused and will continue to cause dollar-translated amounts to vary from one period to another. In addition to currency translation risks, we incur currency transaction risk whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a currency other than the local currency in which we receive revenue and pay expenses.

For the year ended December 31, 2007, we generated approximately 56% of our total revenue, and incurred approximately 41% of our total costs in foreign currencies. Our EMEA operations reported revenue of \$472.5 million for the year ended December 31, 2007. For the year

ended December 31, 2007, every one cent change in the exchange ratio of the euro against the dollar resulted in a \$3.4 million change in our revenue and a \$1.8 million change in our operating income. Our analysis does not consider the implications that such fluctuations could have on the overall economic activity that could exist in such an environment in Europe or the United States. Given the volatility of exchange rates, we may not be able to manage effectively our currency translation and/or transaction risks, which may adversely affect our financial condition and results of operations.

***We are subject to income taxes in many countries because of our international operations and we exercise judgment in order to determine our provision for income taxes. Because that determination is an estimate, we cannot be certain that our income tax provisions and accruals will be adequate.***

We are subject to income taxes in many countries, jurisdictions and provinces. Our international operations require us to exercise judgment in determining our global provision for income taxes. Regularly, we make estimates where the ultimate tax determination is uncertain. While we believe our estimates are reasonable, we cannot assure you that the final determination of any tax audit or tax-related litigation will not be materially different from that reflected in our historical income tax provisions and accruals. The assessment of additional taxes, interest and penalties as a result of audits, litigation or otherwise, could be materially adverse to our current and future results of operations and financial condition.

***We may not generate sufficient future taxable income to realize our deferred tax assets.***

We have a significant amount of tax loss carryforwards and interest expense carryforwards that will be available to reduce the taxes we would otherwise owe in the future. We have recognized the value of these future tax deductions in our consolidated balance sheet at December 31, 2007. The realization of our deferred tax assets is dependent upon our generation of future taxable income during the periods in which we are permitted, by law, to use those assets. We exercise judgment in evaluating our ability to realize the recorded value of these assets, and consider a variety of factors, including the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Our evaluation of the realizability of deferred tax assets must consider both positive and negative evidence, and the weight given to the potential effects of positive and negative evidence is based on the extent to which the evidence can be verified objectively. While we believe that sufficient positive evidence exists to support our determination that the realization of our deferred tax assets is more likely than not, we cannot assure you that we will have profitable operations in the future that will allow us to fully realize those assets.

***Increased governmental regulation may place additional burdens on our business and adversely affect our ability to compete.***

Although we do not believe governmental regulation has had a material 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 and the United States, the combination of heightened security concerns and the increase in the breadth and accuracy of our map database could result in more restrictive laws and regulations, such as export control laws, applicable to our database. In addition, automobile safety initiatives may result in restrictions on devices that use our database. As we continue to expand our geographic coverage, policies favoring local companies and other regulatory initiatives may result in export control laws and other restrictions on our ability to access, collect and use map data or otherwise conduct business in various countries throughout the world. Our failure to comply with local policies and regulations could result in a number of adverse consequences, including loss of access to map data, restrictions or prohibitions on our use of map information, financial penalties, criminal sanctions or loss of licenses or other authority to do business in those jurisdictions. Any of these occurrences could adversely affect our ability to complete, improve, license or distribute our database, which could result in a competitive disadvantage for us and the possible loss of customers and revenue.

***We are required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on our stock price.***



As a public reporting company, we must comply with the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the Securities and Exchange Commission, including expanded disclosures and accelerated reporting requirements. We are now required to furnish a report by our management on our internal control over financial reporting. The report must contain among other matters, an assessment of the effectiveness of our internal control over financial reporting as of the end of its fiscal year. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by management.

This annual report on Form 10-K for the year ended December 31, 2007 includes our management's report stating that our management has assessed the effectiveness of our internal control over financial reporting for the year ended December 31, 2007, and has concluded that as of December 31, 2007, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. However, if our management identifies one or more material weaknesses in our internal control over financial reporting in the future in accordance with our annual assessment, we will be unable to assert that our internal control is effective. If we are unable to assert that our internal control over financial reporting is effective for any fiscal year, or if our auditors are unable to express an opinion on the effectiveness of our internal control, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our stock price.

Likewise, if we are not able to comply with the requirements of Section 404 in a timely manner or if our auditors are not able to complete the procedures required to support their opinion on the effectiveness of our internal control, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our stock price.

***If we cannot retain our existing management team or attract and retain highly skilled and qualified personnel, our business could be adversely affected.***

Our success depends to a significant degree on the skills, experience and efforts of our current executive officers, including Judson C. Green, President and Chief Executive Officer, David B. Mullen, Executive Vice President and Chief Financial Officer and John K. MacLeod, Executive Vice President, NAVTEQ Connected Services and our other key employees, including management, sales,

support, technical and services personnel. Qualified employees are in high demand throughout technology-based industries, and our future success depends in significant part on our ability to attract, train, motivate and retain highly skilled employees and the ability of our executive officers and other members of senior management to work effectively as a team.

***If we fail to adapt our technology infrastructure, map database and data collection tools to changes in technology, we could lose our existing customers and be unable to attract new business.***

The market for products and services incorporating digital map information is evolving and is characterized by rapid technological change, changes in customer requirements, the introduction of new products and services and enhancements to existing products and services. Although our database currently can be used by our customers in a wide variety of applications, we will need to be able to maintain the compatibility of our map database with new products and services introduced as a result of technological changes. If we are unable to do so, demand for our database could decline and our revenue would be adversely affected.

In addition, our customers expect us to be able to handle larger amounts of data comprised of new and often dynamic content on an increasingly real-time basis. If our technology infrastructure and data collection tools are inflexible or unable to effectively respond to such expectations, our customers may purchase map data and related content from other sources.

***If we fail to establish and maintain relationships with third party sources of data used in our map database or other suppliers, our business is likely to suffer.***



We depend upon third party sources for data to build, maintain and enhance our database. In certain cases, this data is readily available only from limited third party sources and/or at significant cost. We cannot assure you that we will be successful in maintaining our relationships with our current third party sources or that we will be able to continue to obtain data from them on acceptable terms or at all. We also cannot assure you that we will be able to obtain data from alternative sources if our current sources become unavailable. In some cases, we may obtain data on less favorable terms in order to satisfy our customers' requirements. In addition, we may be unable to obtain data from additional sources that would allow us to enhance our existing coverage and expand our geographic coverage. Our rights to use any data we obtain may be limited in scope and duration and subject to various other terms and restrictions that may reduce its usefulness to us. As we increase the number of sources we use that contain restrictions on scope or other restrictive terms and conditions, it will become increasingly difficult to manage these restrictions, and any breach by us of these supplier agreements could result in the loss of a data source, litigation and/or damage to our reputation. Our inability to obtain data from our current sources or additional or alternative sources, or to use the acquired data for its intended purposes, may impair or delay the further development, updating and distribution of our database. Any impairments or delays may adversely affect our relationships with our customers and cause us to lose revenue. Further, if we must pay more for the data than we have in the past or acquire data on unfavorable terms to satisfy customer requirements, our profitability may be adversely affected.

We also rely on one of our suppliers to produce end-user copies of our data. If we are unable to obtain end-user copies from such supplier on terms acceptable to us or at all, it may be difficult to find a replacement, and could result in significant increase to our costs in cases where we distribute our map data directly to automotive manufacturers.

***If our customers do not accurately report the amount of license fees owed to us, we will not receive all of the revenue to which we are entitled.***

Except with respect to our automobile manufacturer customers for whom we make and distribute copies of our database, we rely on our customers to report the amount of license fees owed to us under our agreements with them. The majority of our agreements, including those with our key customers, give us the right to audit their records to verify this information. However, these audits can be expensive, time-consuming and possibly detrimental to our ongoing business relationships with our customers. As a result, to date we have only audited a small number of customers in any given year and have relied primarily on the accuracy of our customers' reports. To the extent those reports are inaccurate, the revenue we collect from our customers could be materially less than the amount we should be receiving from them. Though we believe the revenue lost from underreporting has not been material historically, we cannot estimate the impact of underreporting in the future.

***Errors or defects in the database we deliver to customers may expose us to risks of product liability claims and adversely affect our reputation, which could result in customer loss, decreased revenue, unexpected expenses and loss of market share.***

The use of our data in route guidance products and other navigation products and applications involves an inherent risk of product liability claims and associated adverse publicity. Claims could be made by our customers if errors or defects result in failure of their products or services, or by end-users of those products or services or others alleging loss or harm as a result of actual or perceived errors or defects in our map database. Our potential exposure may increase as products and services incorporating our map database begin to be used more widely in emergency response or other safety-related applications and as the information included in earlier versions of our map database becomes dated or obsolete. In addition, errors or defects in our database may require us to participate in product recalls, or cause us to voluntarily initiate a recall in order to maintain good customer relationships.

Product liability claims present a risk of protracted litigation, substantial money damages, attorneys' fees, costs and expenses, and diversion of management's attention from the operation of our business. Although we have not had any product liability claims brought against us to date, we cannot assure you that claims will not be brought in the future. We attempt to mitigate the risks of

product liability claims through the use of disclaimers, limitations of liability and similar provisions in our license agreements; however, we cannot assure you that any of these provisions will prove to be effective barriers to claims. Recalls also may be costly and divert

management's attention from the operation of our business. In some circumstances, we are contractually obligated to indemnify our customers for liabilities, costs and expenses arising out of product liability claims. Providing indemnification or contesting indemnification claims from our customers may result in us incurring substantial costs and expenses. In some cases, purchase orders submitted by our customers purport to incorporate certain customer-favorable contractual terms and conditions which, if given effect, could increase our potential product liability and recall liability exposure. In addition, adverse publicity may reduce our customers' willingness to incorporate our database and related applications into their products, which would adversely affect our revenue.

***Our inability to adequately protect our map database and other intellectual property could enable others to market databases with similar coverage and features that may reduce demand for our database and adversely affect our revenue.***

We rely primarily on a combination of copyright laws, trade secrets, patents, database laws and contractual rights to establish and protect our intellectual property rights in our database, software and related technology. We cannot assure you that the steps we have taken or will take to protect our intellectual property from infringement, misappropriation or piracy will prove to be sufficient. Current or potential competitors may use our intellectual property without our authorization in the development of databases, software or technologies that are substantially equivalent or superior to ours, and even if we discover evidence of infringement, misappropriation or intellectual property piracy, our recourse against them may be limited or could require us to pursue litigation, which could involve substantial attorneys' fees, costs and expenses and diversion of management's attention from the operation of our business. Our database is a compilation of public domain, licensed, otherwise-acquired and independently developed information obtained from various sources such as aerial photographs, commercially available maps and data, government records, other data sources and field observation. Current or potential competitors may be able to use publicly available sources of information and techniques similar to ours to independently create a database containing substantially the same information as our database. Any of these events likely would harm our competitive position.

The laws of some countries in which we operate do not protect our intellectual property rights to the same extent as the laws of other countries. For example, although our database and software are protected in part by copyright, database and trade secret rights, copyright protection does not extend to facts and legislative database protections that relate to compilations of facts currently exist only in certain countries of Europe and do not exist in the United States or Canada. In addition, as we continue to expand our geographic coverage outside of Europe and North America, there may be little or no intellectual property protection and increased rates of piracy. Further, we recently have begun to outsource some software development and data production functions and license certain data collection tools and know how to third parties located in foreign countries where we believe there is an increased risk of infringement, misappropriation and piracy and an increased possibility that we may not be able to enforce our contractual and intellectual property rights.

Copies of our database that are distributed to end-users do not always include effective protection against unlawful copying. While we attempt to stop data piracy, our database is sometimes illegally copied and sold through auction sites and other channels.

***We may face intellectual property infringement claims that could be time consuming, costly to defend and result in our loss of significant rights.***

Due to the uncertain and developing nature of this area of intellectual property law, we cannot assure you that claims of infringement or similar claims will not be asserted against us. Various public authorities and private entities claim copyright or other ownership of or protection with respect to certain data and map information that we use in our database. Although our general policy is to seek to obtain licenses or other rights where necessary or appropriate, we cannot assure you that we have obtained or will be successful in obtaining all of these licenses or rights. In the event that claims are asserted against us, we may be required to obtain one or more licenses from third parties. We may or may not be able to obtain those licenses at a reasonable cost or at all. Also, if we are found to have infringed the intellectual property rights of a third party, we may be subject to payment of substantial royalties or damages, or enjoined or otherwise prevented from marketing part or all of our database, software or related technologies and/or products which would incorporate our database, software or related technologies, any of which could cause us to lose revenue, impair our customer relationships and damage our reputation.

We also claim rights in our trademarks and service marks. Certain of our marks are registered in Europe, the United States, and elsewhere and we have filed applications to register certain other marks in these jurisdictions. Marks of others that are the same or similar to certain of our marks currently exist or may exist in the future. We cannot assure you that we will be able to continue using certain marks or that certain of our marks do not infringe the marks of others. We have licensed others to use certain of our marks in connection with our database and expect

to continue licensing certain of our marks in the future. Licensees of our marks may take actions that might materially and adversely affect the value of our marks or reputation.

***Our intellectual property indemnification practices and potential obligations may adversely affect our business.***

Our license agreements with our customers generally contain indemnification provisions which, in certain circumstances may require us to indemnify our customers for liabilities, costs and expenses arising out of violations of intellectual property rights. These

indemnification provisions and other actions by us may result in indemnification claims or claims of intellectual property right infringement. In some instances, the potential amount of the indemnities may be greater than the revenue we receive from the customer. Any indemnification claims or related disputes or litigation, whether ultimately we are or are not required to provide indemnification, could be time-consuming and costly, damage our reputation, prevent us from offering some services or products, or require us to enter into royalty or licensing arrangements, which may not be on terms favorable to us.

***Our technology systems may suffer failures and business interruptions that could increase our operating costs and cause delays in our operations.***

Our operations face the risk of systems failures. Although we believe we have sufficient disaster recovery plans and redundant systems in place, our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, computer hardware and software failure, telecommunications failure, computer hacking break-ins and similar events. The occurrence of a natural disaster or unanticipated problems with our technology systems at our production facility in Fargo, North Dakota, or at our offices in Chicago, Illinois and Veldhoven, the Netherlands could cause interruptions or delays in the ongoing development and enhancement of our map database and related software, and inhibit our ability to timely deliver our database to our customers, which in turn could cause us to lose customers or revenue. Our technology systems may also be subject to capacity constraints which would cause increased operating costs in order to overcome these constraints.

Further, the operational failure of TIMS, the system Traffic.com uses to collect, analyze and distribute traffic information, could prevent us from delivering traffic data to our customers, which could result in a loss of customers and would adversely affect our ability to maintain or increase advertising revenue related to our traffic data and grow Traffic.com's business.

***We are required to achieve and maintain various quality assurance standards and if we are unable to do so, our key customers may not do business with us.***

Many of our customers, particularly those in the automotive industry, require their suppliers to maintain certain quality assurance standards and certifications, including those pursuant to the ISO series of international standards. Although we have achieved many of these certifications, we cannot assure you that we will be able to continue to meet these standards in the future or that our customers will not require us to obtain and maintain certifications under different or more stringent standards in the future, which we may or may not be able to accomplish. If we are unable to do so, those customers may refuse to do business with us, which could materially reduce our revenue and adversely affect our reputation.

***Changes to financial accounting standards may affect our results of operations and cause us to change our business practices.***

We prepare our financial statements to conform with generally accepted accounting principles, or GAAP, in the United States. These accounting principles are subject to interpretation by the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, or FASB, the SEC and various bodies formed to promulgate and interpret appropriate accounting policies. A change in those accounting principles or interpretations could have a significant effect on our reported financial results and may affect our reporting of transactions completed before a change is announced or adopted.

***Our investment in marketable securities are subject to risks that may result in losses.***

Our investment in marketable securities are subject to risks that may result in losses. We invest our excess cash balances in several types of securities, including notes and bonds issued by governmental agencies or corporations, and money market funds. Securities issued by governmental agencies include those issued directly by the U.S. government, those issued by state, local or other governmental entities, and those guaranteed by entities affiliated with governmental entities. These investments are investment grade and meet our internal investment policy.

At December 31, 2007, our short-term investments included auction rate securities issued by state, local and other governmental entities, or guaranteed by entities affiliated with governmental entities. They have long-term maturities, but the interest rates are reset periodically through an auction process which provides opportunities for holders of the securities to liquidate their positions.

Our short-term investments are subject to fluctuations in market value and yield based upon changes in market conditions, including interest rate, liquidity, general economic conditions and conditions specific to the issuer.

Recently, insufficient market liquidity has impacted the general debt market and our ability to liquidate certain of our auction rate securities as originally scheduled. None of the securities in which we are invested have experienced defaults.

If our ability to liquidate these securities is limited, we could experience losses in our investment portfolio and our ability to access additional cash could be more restricted.

**Risks Related to Ownership of Our Common Stock**

***Our stock price may be volatile, and you may not be able to resell shares of our common stock at or above the price you paid or at all.***

The price of our common stock may fluctuate widely, depending upon many factors, including the market's perception of our prospects and those of geographic data providers in general, differences between its actual financial and operating results and those expected by investors and analysts, changes in analysts' recommendations or projections, changes in general economic or market conditions and broad market fluctuations. Broad market and industry factors may decrease the market price of our common stock, regardless of our actual operating performance. Stock prices for technology-related companies have experienced significant price and volume volatility. Companies that experience volatility in the market price of their securities often are subject to securities class action litigation. This type of litigation, if instituted against us, could result in substantial costs and divert management's attention and resources away from our business. In addition, we are currently experiencing a major shift in our business from in-vehicle navigation devices to location-enabled mobile devices which is causing our business to be more seasonal and difficult to predict, each of which could result in volatility in our stock price.

***Our quarterly revenue and operating results are difficult to predict and if we do not meet quarterly financial expectations, our stock price may experience increased volatility.***

Our quarterly revenue and operating results are difficult to predict due to a variety of factors, including the timing of purchases by our customers, the introduction of new products or services by them incorporating our map database and changes in our pricing policies or those of our competitors. These or other factors, many of which are beyond our control, may result in this unpredictability continuing in the future. This could cause our operating results in some quarters to vary from market expectations and lead to volatility in our stock price. We currently do not provide guidance to the marketplace with respect to our quarterly financial results. As such, analysts' estimates may not reflect our own expectations as to our future financial performance.

***If securities or industry analysts do not publish research or reports about our business, or if they change their recommendations regarding our stock adversely, our stock price and trading volume could decline.***

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our stock, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

***We may require additional capital in the future, which may not be available to us. Sales of our equity securities to provide this capital may dilute your ownership in us.***

We may need to raise additional funds through public or private debt or equity financings in order to:

- take advantage of expansion opportunities;
- acquire complementary businesses or technologies;
- develop new services and products; or
- respond to competitive pressures.

Any additional capital raised through the sale of our equity securities may dilute your percentage ownership interest in us. Furthermore, any additional financing we may need may not be available on terms favorable to us or at all. The unavailability of needed financing could adversely affect our ability to execute our growth strategy.

***We do not intend to pay dividends for the foreseeable future.***

Except for the special cash dividend that was paid on June 18, 2004 to our common stockholders of record as of April 19, 2004, we have never declared or paid any cash dividends on our common stock. Payment of future cash dividends will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion, and any limitations on dividend payments included in any financing or other agreements that we may be party to at the time. Our existing credit facility currently restricts our ability to pay dividends. Consequently, investors cannot rely on dividend income and your opportunity to achieve a return on your investment in our common stock will likely depend entirely upon any future appreciation in the price of our stock. There is no guarantee that the price of our common stock will appreciate in the future or that the price at which you purchased your shares will be maintained.

***Delaware law and our certificate of incorporation and bylaws contain provisions that could delay and discourage takeover attempts that stockholders may consider favorable.***

Certain provisions of our certificate of incorporation and bylaws and applicable provisions of Delaware corporate law may make it more difficult for or prevent a third party from acquiring control of us or changing our board of directors and management. These provisions include:

- the ability by our board of directors to issue preferred stock with voting or other rights or preferences;
- our stockholders may only take action at a meeting of our stockholders and not by written consent; and
- our stockholders must comply with advance notice procedures in order to nominate candidates for election to our board of directors or to place stockholders' proposals on the agenda for consideration at meetings of the stockholders.

Any delay or prevention of a change of control transaction or changes in our board of directors or management could deter potential acquirors or prevent the completion of a transaction in which our stockholders could receive a substantial premium over the then current market price for their shares.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

Our corporate headquarters are located in Chicago, Illinois. We maintain a regional headquarters in Veldhoven, The Netherlands and a production facility in Fargo, North Dakota. The table below provides additional information concerning our principal facilities, including the approximate square footage of each facility and the lease or sublease expiration date.

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Location	Use/Purpose	Square	Lease Expiration
		Footage	
Chicago, IL	Corporate Headquarters	300,440	September 30, 2022
Fargo, ND	Production Facility	56,500	September 30, 2011
Veldhoven, The Netherlands	European Headquarters	41,505	March 14, 2011

In addition to these facilities, we also have 180 satellite and administrative offices in 32 countries worldwide.

**Item 3. Legal Proceedings.**

On April 22, 2005, Tele Atlas filed a complaint against us in the United States District Court for the Northern District of California. The complaint alleges that we violated Sections 1 and 2 of the Sherman Act, Section 3 of the Clayton Act, and Sections 16720, 16727 and 17200 of the California Business and Professions Code, and that we intentionally interfered with Tele Atlas' s contractual relations and prospective economic advantage with third parties, by allegedly excluding Tele Atlas from the market for digital map data for use in navigation system applications in the United States through exclusionary and predatory practices. On August 16, 2005, Tele Atlas filed an amended complaint based on these same causes of action. Specifically, in its amended complaint, Tele Atlas alleges that we control a predominant share of variously defined markets for digital map data and have entered into exclusive contracts with digital map data customers for the purpose of acquiring or maintaining an illegal monopoly in these alleged markets. Tele Atlas also contends that these allegedly exclusive contracts have interfered with Tele Atlas' current and prospective business relationships and amount to unfair competition under California state law. In addition, Tele Atlas alleges that we, through our license under U.S. Patent No. 5,161,886, control a predominant share of the alleged relevant technology market consisting of methods for displaying portions of a topographic map from an apparent perspective view outside and above a vehicle in the United States, and allegedly have entered into patent licenses and/or other arrangements in a manner that violates the aforesaid laws. On November 2, 2005, the Court dismissed some, but not all, of Tele Atlas' claims for failure to state valid causes of action. On November 22, 2005, Tele Atlas filed a second amended complaint based on the same causes of actions and essentially the same allegations as in its first amended complaint and we filed an answer denying Tele Atlas' claims. On February 19, 2007, Tele Atlas filed a Motion for Leave to Amend and Supplement Second Amended Complaint, seeking to file a third amended complaint based on the same causes of action and allegations as in its second amended complaint. Tele Atlas' s proposed third amended complaint adds allegations regarding an additional defined market for digital map data and regarding our control, through our U.S. Patent No. 6,735,515, of a technology market consisting of methods and systems designed to continuously provide driver assistance systems with updated data about paths along roads onto which a motor vehicle can travel from its current position, and use of such control to enter into a patent licenses and/or other agreements in a manner that violates federal and state antitrust laws. Tele Atlas seeks preliminary and permanent injunctive relief, unspecified monetary, exemplary and treble damages, and costs and attorneys' fees of suit. The court granted Tele Atlas' s Motion for Leave and Tele Atlas' s Third Amended Complaint was filed under seal on May 11, 2007. Fact and expert discovery has closed and the period for filing summary judgment motions has ended. We filed summary judgment motions seeking decisions in our favor on all of Tele Atlas' claims. This action is scheduled to begin a jury trial on July 14, 2008. We believe that Tele Atlas' claims are without merit. We intend to take all necessary steps to vigorously defend ourselves against this action; however, we cannot predict its outcome or potential effect, if any, on our business, financial position or results of operations. A negative outcome could adversely affect our business, results of operations and financial condition. Even if we prevail in this



matter, we may incur significant costs in connection with our defense, experience a diversion of management time and attention, realize a negative impact on its reputation with our customers and face similar governmental and private actions based on these allegations.

On October 4, 2007, a shareholder class action and derivative complaint was filed by Monroe County Employees Retirement System in the United States District Court for the Northern District of Illinois. This lawsuit purported to be brought on behalf of all NAVTEQ stockholders and derivatively on behalf of NAVTEQ and named the members of the NAVTEQ Board of Directors and NAVTEQ as defendants. On October 9, 2007, a second shareholder class action complaint was filed by Karen Rosenberg in the Circuit Court of Cook County, Illinois. This lawsuit also purported to be brought on behalf of all NAVTEQ stockholders and named the members of the NAVTEQ Board of Directors, NAVTEQ, and Nokia Inc. as defendants. Both complaints alleged, among other things that the NAVTEQ Board of Directors violated its fiduciary duties to NAVTEQ stockholders by entering into the merger agreement. The second complaint also alleged that Nokia Inc. aided and abetted the NAVTEQ Board of Directors in its alleged violation of fiduciary duties. Both complaints sought to enjoin the merger and monetary relief. NAVTEQ denies all of the allegations in these lawsuits, including any allegation its current disclosures with regard to the merger are false, misleading, or incomplete in any way. Nevertheless, without admitting any liability or wrongdoing, NAVTEQ and the other defendants have agreed to settle the lawsuits in order to avoid the potential cost and distraction of continued litigation and to eliminate any risk of delay to the closing of the merger posed by these lawsuits. On January 25, 2008, the parties in both actions entered into a memorandum of understanding for settlement of the claims under which NAVTEQ agreed, without any admission of liability or wrongdoing, to (1) modify the appraisal rights of NAVTEQ's stockholders, (2) make certain additional disclosures regarding the merger transaction in a Form DEFA14A, (3) make certain additional confirmatory discovery available to the plaintiffs to confirm the fairness and adequacy of the settlement, and (4) pay the sum of \$1,000,000 to plaintiffs' counsel for their fees and reimbursement of expenses and costs. This payment will not affect the merger consideration to be paid to NAVTEQ's stockholders in connection with the merger. The details to the settlement will be set forth in a notice to be sent to NAVTEQ's stockholders prior to a hearing before the court to consider the settlement. The settlement is subject to the parties agreeing upon and executing appropriate stipulations of settlement and such other documentation as may be required to obtain approval of the settlement from the Federal Court and dismissal of both the Federal and State actions, which

stipulation will provide, among other things: (i) for the certification as an opt-out class for settlement purposes of all persons who owned NAVTEQ common stock as of July 30, 2007 through and including the sale of NAVTEQ as contemplated in the merger, and their successors in interest and transferees, under Rule 23 of the Federal Rules of Civil Procedure or its State Court rule equivalent; (ii) for entry of a judgment of dismissal with prejudice in both the Federal and State actions; and (iii) for a release and settlement of all known and unknown claims against defendants, including Nokia, and their respective various related persons, which have been or could have been asserted by any member of the proposed class, based upon, arising from, or related to any matter discussed in the November 13, 2007 Proxy or any disclosure related thereto or the actual or alleged acts or omissions of defendants relating to the merger. The stipulation will further provide that defendants have denied and continue to deny that they have committed or attempted to commit any violations of law or breached any duty owed to NAVTEQ or its stockholders or otherwise. The settlement is subject to: (a) the drafting and execution of the definitive settlement documents; (b) final approval from the Federal Court of the settlement and dismissal of both the Federal and State Actions with prejudice and without awarding costs to any party (except for NAVTEQ's payment of \$1,000,000 as discussed above); and (c) consummation of the merger.

We are subject to various other legal proceedings and claims arising in the ordinary course of our business. We do not believe that any of these other legal proceedings or claims will materially affect our business, financial position or results of operations.

**Item 4. Submission of Matters to a Vote of Security Holders.**

The Company held a special meeting of the stockholders on December 12, 2007 to vote on (i) a proposal to adopt the Agreement and Plan of Merger, dated as of October 1, 2007, by and among Nokia Inc., North Acquisition Corp., Nokia Corporation and NAVTEQ and (ii) a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. The following is a tabulation of the votes cast:

For	Against	Abstain	Broker Non-Votes



<b>Approval of the proposal to adopt the Agreement and Plan of Merger dated as of October 1, 2007, by and among Nokia Inc., North Acquisition Corp., Nokia Corporation and the Corporation</b>	74,207,512	259,848	36,418	–
<b>Approval of the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement</b>	71,630,379	2,825,464	47,935	–

## PART II

### Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters.

#### Market Information

Our common stock is listed on the New York Stock Exchange under the symbol “NVT.” The following table sets forth the high and low sales prices per share of our common stock for each quarter of 2006 and 2007:

	<u>High</u>	<u>Low</u>
<b>2007</b>		
4th Quarter	\$ 78.00	\$ 74.20
3rd Quarter	79.27	42.27
2nd Quarter	45.99	34.28
1st Quarter	37.84	30.44
<b>2006</b>		
4th Quarter	\$ 37.25	\$ 25.14
3rd Quarter	45.00	23.73
2nd Quarter	55.86	37.25
1st Quarter	51.59	40.00

#### Holders

As of February 13, 2008, our common stock was held by 259 stockholders of record.

#### Dividends

Except for a special cash dividend that was paid to our common stockholders on June 18, 2004, we have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to finance the expansion of our business and do not expect to pay any cash dividends in the foreseeable future. In addition, neither we nor our subsidiaries may pay any cash dividends with respect to any shares of any class of our capital stock in accordance with our existing revolving credit agreement. This restriction materially limits our ability to pay dividends on our common stock. Payment of future cash dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion, and in accordance with the revolving credit agreement. Our ability to pay dividends also may be limited by financing or other agreements that we may be a party to or enter into in the future.

## Securities Authorized for Issuance Under Equity Compensation Plans

See “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” for information regarding the Company’s securities authorized for issuance under equity compensation plans.

## Sale of Unregistered Securities

We issued 57,443 shares of our common stock to Robert Verratti, the former Chief Executive Officer of Traffic.com, as of April 20, 2007 in connection with a sale bonus payable to Mr. Verratti in connection with his employment with Traffic.com, which we acquired in March 2007. On April 20, 2007, we filed a registration statement with the SEC under the Securities Act of 1933, as amended (“Securities Act”), to register for resale such shares. The shares were offered and sold by us in reliance upon the exemption from the registration requirements provided by Section 4(2) of the Securities Act relating to sales not involving any public offering.

We did not sell any other equity securities during the fiscal year ended December 31, 2007 that were not registered under the Securities Act.

## Repurchases of Our Common Stock

We have not repurchased any of our common stock, or announced any programs or plans to repurchase any of our common stock, during the year ended December 31, 2007.

## Item 6. Selected Financial Data.

The following selected historical consolidated financial data as of December 31, 2006 and 2007 and for the years ended December 31, 2005, 2006 and 2007 have been derived from the audited consolidated financial statements of NAVTEQ, appearing elsewhere in this document. The following selected historical consolidated financial data as of December 31, 2003, 2004 and 2005 and for the years ended December 31, 2003 and 2004 have been derived from the audited consolidated financial statements of NAVTEQ, which are not included herein. The historical results presented below are not necessarily indicative of the results to be expected in any future period. The selected historical consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes thereto appearing elsewhere in this document.

### NAVTEQ CORPORATION AND SUBSIDIARIES

(In thousands, except per share amounts)

	Years Ended December 31,				
	2003	2004	2005	2006	2007
<b>Consolidated Statement of Operations Data:</b>					
Net revenue	\$ 272,623	392,858	496,512	581,619	853,387
Operating costs and expenses:					
Database creation and distribution costs (1)	133,119	197,089	236,405	275,449	395,778
Selling, general and administrative expenses (1)	75,746	101,183	125,851	152,474	231,458
Total operating costs and expenses	208,865	298,272	362,256	427,923	627,236
Operating income	63,758	94,586	134,256	153,696	226,151

Interest income, net	380	1,134	4,237	11,257	18,223
Other income (expense), net	<u>6,163</u>	<u>(1,892)</u>	<u>498</u>	<u>(1,008)</u>	<u>(339)</u>
Income before income taxes	70,301	93,828	138,991	163,945	244,035
Income tax expense (benefit) (2)	<u>(165,514)</u>	<u>39,762</u>	<u>(31,839)</u>	<u>54,481</u>	<u>71,085</u>
Net income	235,815	54,066	170,830	109,464	172,950
Cumulative effect of change in accounting principle	<u>—</u>	<u>—</u>	<u>—</u>	<u>506</u>	<u>—</u>
Net income	<u>\$ 235,815</u>	<u>54,066</u>	<u>170,830</u>	<u>109,970</u>	<u>172,950</u>
Earnings per share of common stock:					
Basic	<u>\$ 2.81</u>	<u>0.62</u>	<u>1.90</u>	<u>1.18</u>	<u>1.78</u>
Diluted	<u>\$ 2.69</u>	<u>0.59</u>	<u>1.81</u>	<u>1.15</u>	<u>1.73</u>
Weighted average shares used in per share computation:					
Basic	84,062	86,509	90,115	93,029	97,350
Diluted	87,593	92,001	94,198	95,713	99,985

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#### Consolidated Balance Sheet Data:

	As of December 31,				
	2003	2004	2005	2006	2007
Cash and cash equivalents	\$ 1,982	30,101	85,070	122,335	159,857
Cash on deposit with affiliate	65,307	—	—	—	—
Marketable securities	—	72,930	133,728	200,196	302,981
Working capital	82,088	97,587	190,945	272,144	410,779
Deferred income tax assets (2)	172,065	142,765	211,848	196,623	238,492
Total assets	325,165	364,708	615,888	794,701	1,321,817
Total stockholders' equity	217,911	232,818	490,064	649,381	1,006,574

#### Consolidated Statement of Cash Flow Data:

	Year Ended December 31,				
	2003	2004	2005	2006	2007
Cash flow provided by operating activities	\$ 65,948	106,422	137,753	140,008	292,946
Capital expenditures	(9,269)	(12,875)	(10,466)	(17,834)	(74,606)
Capitalized software development costs	<u>(9,966)</u>	<u>(12,792)</u>	<u>(12,369)</u>	<u>(9,055)</u>	<u>(20,552)</u>
Total capital expenditures and capitalized software development costs	(19,235)	(25,667)	(22,835)	(26,889)	(95,158)
Depreciation and amortization	<u>12,030</u>	15,568	23,070	29,700	42,931

(1) Certain 2003, 2004 and 2005 expenses have been reclassified to "Database creation and distribution costs" that had been previously reported in "Selling, general and administrative expenses."

(2) During 2003, the valuation allowance on deferred tax assets was partially reversed, resulting in a benefit of \$168,752. During 2004, the balance of deferred tax assets was adjusted due to changes in corporate income tax rates, primarily in the Netherlands, resulting in expense of \$3,824. During 2005, additional valuation allowance on deferred tax assets was reversed, resulting in a benefit of \$83,270. Also during 2005, the balance of deferred tax assets was adjusted due to the reversal of tax benefits related to deferred compensation, resulting in expense of \$1,836 and due to changes in corporate income tax rates, primarily in the Netherlands, resulting in expense of \$720.

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **(Amounts in thousands, except per share amounts)**

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this document. Certain information contained in this discussion and analysis and presented elsewhere in this document, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risk and uncertainties. In evaluating these statements, you should specifically consider the various risk factors identified in "Item 1A. Risk Factors" that could cause results to differ materially from those expressed in such forward-looking statements.

#### **Overview**

We are a leading provider of comprehensive digital map data and location-based content, including traffic information, for automotive navigation systems, mobile navigation devices and Internet-based mapping applications. Our map database and related content enables providers of these products and services to offer dynamic navigation, route planning, location-based information services and other geographic information-based products and services to consumer and commercial users. In addition, we have a traffic and logistics data collection network in which we process traffic incident and event information, along with comprehensive traffic flow data collected through our network of roadside sensors, in order to provide detailed traffic information, including specific and customized speeds, travel times and delay times, to radio and television stations, Internet sites and mobile device users.

On October 1, 2007, we entered into an Agreement and Plan of Merger ("Nokia Merger Agreement") with Nokia Inc., a Delaware corporation ("Parent"), North Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Purchaser") and, for certain purposes set forth in the Nokia Merger Agreement, Nokia Corporation, a corporation organized and existing under the laws of the Republic of Finland. Subject to the terms and conditions of the Nokia Merger Agreement, Purchaser will be merged with and into us (the "Nokia Merger"), each outstanding share of our common stock, par value \$0.001 per share, will be converted into the right to receive \$78.00 in cash, without interest, and we will survive the Nokia Merger as a wholly-owned subsidiary of Parent. All unvested options to purchase common stock will accelerate and vest in full immediately prior to the consummation of the Nokia Merger. Option holders will receive a cash payment for each option held equal to the excess of \$78.00 over the applicable option exercise price, less taxes.

#### **Revenue**

We generate revenue primarily through the licensing of our geographic database and related location-based content in EMEA and Americas. The largest portion of our revenue comes from digital map data used in self-contained hardware and software systems installed in vehicles ("in-dash systems").

We believe that, in addition to automobile market conditions in general and automobile sales mix, there are two key factors that affect our performance with respect to this revenue: the number of automobiles sold for which navigation systems are either standard or an option ("adoption") and the rate at which car buyers select navigation systems as an option ("take-rate").

We believe the adoption of navigation systems in automobiles in Europe has stabilized at over 80%, but that the adoption of such systems in North America continues to increase. In addition, the take-rates have increased during recent years in both Europe and North America and we expect that these will continue to increase for at least the next few years as a result of market acceptance by our customers of products and services that use our database and anticipated reductions in the price of in-dash systems. However, increased adoption in North America also has a dampening effect on overall take rates as a number of inexpensive models with relatively lower take rates offer the option for the first time. As the adoption of navigation systems in automobiles increases in North America, and as the take-rates in both North America and Europe increase, we believe each of these can have a positive effect on our revenue, subject to our ability to maintain our license fee structure and customer base.

In addition, the market for products and services that use our geographic database and related location-based content is evolving, and we believe that much of our future success depends upon the development of a wider variety of products and services that use our data. This includes growth in location-enabled mobile devices, such as mobile phones, personal navigation devices (PNDs), personal digital assistants (PDAs), and other products and services that use digital map data. Our revenue growth is driven, in part, by the rate at which consumers and businesses purchase these products and services, which in turn is affected by the availability and functionality of such products and services. We believe that both of these factors have increased in recent years and will continue to increase for at least the next few years. However, even if these products and services continue to be developed and marketed by our customers and gain market acceptance, we may not be able to license the database at prices that will enable us to maintain profitable operations. Moreover, the market for location-based information is highly competitive, and competitive pressures in this area may result in price reductions for our database, which could materially adversely affect our business and prospects.

We expect that revenue derived from the use of our data in location-enabled mobile devices will represent an increasing percentage of our total revenue in the next few years. As a result, our total revenue will likely have a more seasonal pattern with first quarter

revenue generally being relatively weaker than other quarters and fourth quarter revenue generally being relatively stronger than other quarters. Since we are in the early stages of this shift in our business, our ability to forecast revenue, particularly in the fourth quarter, may be limited, and may result in material differences between any forecasted operating results and our actual results.

We have also experienced, and expect to continue to experience, difficulty in maintaining the license fees we charge for our digital map database and related location-based content due to a number of factors, including automotive and mobile device customer expectations of continually lower license fees each year and a highly competitive environment. In response to these pressures, we are focused on:

- Offering a digital map database with superior quality, detail and coverage;
- Providing value-added services to our customers such as distribution services, and technical and marketing support; and
- Enhancing and extending our product offering by adding additional content to our map database.

We also believe that in the foreseeable future the effect on our revenue and profitability as a result of any decreases in our license fees will be offset by volume increases as the market for products and services that use our database grows, although we cannot assure you that these increases will occur.

In addition to revenues from our geographic database, we receive a portion of our revenues from the sale of advertising on radio and television stations. The Company receives airtime inventory from radio and television stations in exchange for traffic information and services. We expect these revenues to increase in the future as we increase the depth of our nationwide traffic and logistics data collection network and our proprietary system called Traffic Information Management System.

We expect that our revenue and revenue growth will continue to be subject to a highly competitive environment. We currently have several major competitors in providing map information, including Tele Atlas N.V. (which recently announced an agreement to be acquired by TomTom N.V.), internet-based mapping sites and numerous European governmental and quasi-governmental mapping agencies (e.g., Ordnance Survey in the United Kingdom) that license map data for commercial use, as well as many local competitors in geographic areas outside of North America and Europe. Also, AND Automotive Navigation Data has announced that it will be expanding its coverage of

mapping data that supports navigation from countries of Eastern Europe to countries of Western Europe, and Facet Technologies has announced its launch of mapping data that supports navigation for the United States, with plans to expand to Canada and Europe. Governmental and quasi-governmental agencies also are making more map data information with greater coverage and content, and higher quality, available free of charge or at lower prices, which may encourage new market entrants or reduce the demand for fee-based products and services which incorporate our map database. Several companies are also now providing aerial, satellite and other location-based imagery which provides our customers with an alternative to our map data and makes it less costly and time-consuming for competitors to build a high quality map database similar to our database. In addition, some of our customers prefer to license data from several vendors in order to diversify their sources of supply and to maintain competitive and pricing pressures. We expect that we will continue to operate in a highly competitive environment following the closing of TomTom's acquisition of Tele Atlas.

Additionally, we have intense competition in providing traffic information to radio and television stations across the United States as Traffic.com derives the majority of its revenues via advertising on radio and television stations. We have several major competitors, including Westwood One and Clear Channel Communications, that have the ability to provide these services to radio and television stations as well, which could result in price reductions, reduced profit margins or loss of business. These competitors have longer operating histories with respect to traffic information and more established relationships with advertisers. Our traffic data also competes with smaller, start-up companies that make use of publicly available traffic data from government sources.

### *Operating Expenses*

Our operating expenses are comprised of database creation and distribution costs, and selling, general and administrative expenses. Database creation and distribution costs primarily include the purchase and licensing of source maps, employee compensation and third party fees related to the construction, maintenance and delivery of our database. Selling, general and administrative expenses primarily include employee compensation, marketing, facilities and other administrative expenses.

During the first quarter of 2006, we conducted a review of the classification of our operating expenses. As a result of this review, costs associated with certain functional groups historically classified as selling, general, and administrative expenses were reclassified as database creation and distribution costs. Certain operating expenses in previously reported periods have been reclassified to conform to this presentation. Total operating expenses were not affected by the reclassification.

Our operating expenses have increased as we have made investments related to the development, improvement and commercialization of our database. We anticipate that operating expenses will continue to increase as our growth and development activities continue, including further development and enhancement of our database and increasing our sales and marketing efforts.

On January 1, 2006, we adopted Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 123(R), "Share-Based Payment." This requires all share-based payments to employees, including grants of employee stock

options, to be recognized as an operating expense in the statement of operations. The cost will be recognized over the requisite service period based on fair values measured on grant dates. We recognized stock-based compensation expense of \$14,501 and \$20,844 for the years ended December 31, 2006 and 2007, respectively. We also recorded a cumulative effect of changing to SFAS No. 123(R) resulting in income of \$506 (net of income tax expense of \$312) in the first quarter of 2006.

### *Income Taxes*

As of December 31, 2007, we had U.S. net operating loss carryforwards for Federal and state income tax purposes of approximately \$374,309 and \$224,484, respectively. Net operating loss carryforwards are available to reduce future taxable income subject to expiration. Various amounts of our net operating loss carryforwards expire, if not utilized, each year until 2027.



The Company also has available tax credit carryforwards of approximately \$4,217 and \$1,930 for U.S. Federal and state tax purposes, respectively.

If not utilized, U.S. Federal and state net operating loss carryforwards expire through 2027 and U.S. Federal tax credit carryforwards expire through 2022, as follows:

<b>Year of expiration</b>	<b>Federal net operating loss carryforwards</b>	<b>State net operating loss carryforwards</b>	<b>Federal tax credit carryforwards</b>
2008	\$ —	—	114
2009	—	7	28
2010	—	866	102
2011	12,268	298	186
2012	29,142	2,592	459
Thereafter through 2027	332,899	220,721	3,328
	<u>\$ 374,309</u>	<u>224,484</u>	<u>4,217</u>

As of December 31, 2007, we had U.S. interest expense carryforwards for both U.S. Federal and state income tax purposes of approximately \$185,333. There is no expiration date for U.S. state tax credit carryforwards and U.S. Federal interest expense carryforwards.

### *Cash and Liquidity*

Prior to the year ended December 31, 2002, we had been unprofitable on an annual basis since our inception, and, as of December 31, 2007, we had an accumulated deficit of \$13,964.

As of December 31, 2007, our balance of cash and cash equivalents and marketable securities was \$462,838, compared to \$322,531 as of December 31, 2006, which represents an increase of \$140,307.

### *Foreign Currency Risk*

Material portions of our revenue and expenses have been generated by our European operations, and we expect that our European operations will account for a material portion of our revenue and expenses in the future. Substantially all of our international expenses and revenue are denominated in foreign currencies, principally the euro. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in Europe and other foreign markets in which we have operations. Accordingly, fluctuations in the value of those currencies in relation to the U.S. dollar have caused and will continue to cause dollar-translated amounts to vary from one period to another. In addition to currency translation risks, we incur currency transaction risk whenever one of our operating subsidiaries enters into either a purchase or a sales transaction using a currency other than the local currency in which it receives revenue and pays expenses.

Historically, we had not engaged in activities to hedge our foreign currency exposures. On April 22, 2003, we entered into a foreign currency derivative instrument to hedge certain foreign currency exposures related to intercompany transactions. The underlying intercompany loan was repaid in the second quarter of 2006 and the instrument has been terminated. See Note 8 to our Consolidated Financial Statements for additional information on this foreign currency derivative instrument. For the year ended December 31, 2007, we generated approximately 56% of our net revenue and incurred approximately 41% of our total expenses in foreign currencies. Our European operations reported revenue of \$472,523 for the year ended December 31, 2007. Due to an increase in the exchange rate of the euro against the dollar, as compared to 2006, European revenue was approximately \$34,013 higher than what would have been reported had the exchange rate not increased. Based on the results of the year ended December 31, 2007, every one cent change in the exchange rate of the euro against the dollar resulted in approximately a \$3,400 change in our revenue and approximately a \$1,800 change in our operating income. Our analysis does not consider the implications that such fluctuations could have on the overall economic activity that could exist in such an environment in the United States or Europe.

### *Customer Concentration*

Material portions of our revenue have been generated by a small number of customers, and we expect that a small number of customers will account for a material portion of our revenue in the future. For the years ended December 31, 2006 and 2007, our revenue from Garmin International accounted for approximately 9% and 15% of our total revenue, respectively. For the years ended December 31, 2006 and 2007, our revenue from BMW AG accounted for approximately 12% and 9% respectively, of our total revenue. In addition, sales to our top 15 customers for the years ended December 31, 2005, 2006 and 2007 accounted for approximately 76%, 71% and 65% of our revenue, respectively.

The majority of our significant customers are automobile manufacturers and suppliers to automobile manufacturers. Conditions in the market for new automobiles generally and conditions affecting specific automobile manufacturers and suppliers may affect sales of vehicle navigation systems incorporating our database. Fluctuations in the automotive market have occurred in the past and are likely to occur in the future. To the extent that our future revenue depends materially on sales of new automobiles equipped with navigation systems enabled by digital maps, our business may be vulnerable to these fluctuations.

### **Critical Accounting 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 U.S. generally accepted accounting principles. The preparation of these financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates based on historical experience and make various assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments 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. We believe that, of the significant policies used in the preparation of our consolidated financial statements (see Note 1 of Notes to Consolidated Financial Statements), the following are critical accounting estimates, which may involve a higher degree of judgment and complexity. Management has discussed the development and selection of these critical accounting estimates with our Audit Committee, and our Audit Committee has reviewed this disclosure.

### *Revenue Recognition*

We derive a substantial majority of our revenue from licensing our database. We provide our data to end-users through multiple distribution methods, primarily media or server-based. For example, our customers produce copies of our data on various media, such as CD-ROMs, DVDs and memory cards. Our customers then distribute those media to end-users directly and indirectly through retail establishments, automobile manufacturers and their dealers, and other redistributors. The media may be sold by our customer separately from its products, bundled with its products or otherwise incorporated into its products. We also produce copies of our data and distribute those copies to end-users both directly and indirectly through automobile manufacturers and their dealers. Additionally, some of our customers store our data on servers and distribute information, such as map images and driving directions, derived from our data over the Internet and through other communication networks.

Revenue is recognized net of provisions for estimated uncollectible amounts and anticipated returns. Our map database license agreements provide evidence of our arrangements with our customers, and identify key contract terms related to pricing, delivery and payment. We do not recognize revenue from licensing our database until delivery has occurred and collection is considered probable. We provide for estimated product returns at the time of revenue recognition based on our historical experience for such returns, which have not been material. As a result, we do not believe there is significant risk of recognizing revenue prematurely.

For revenue distributed through the media-based method, license fees from usage (including license fees in excess of the nonrefundable minimum fees) are recognized in the period in which they are reported by the customer to us. Prepaid licensing fees are recognized in the

period in which the distributor or customer reports that it has shipped our database to the end-user. Revenue for direct sales is recognized when the database is shipped to the end-user.

For revenue distributed through the server-based method, revenue includes amounts that are associated with nonrefundable minimum licensing fees, license fees from usage (including license fees in excess of nonrefundable minimum fees), recognition of prepaid licensing fees from our distributors and customers and direct sales to end-users. Nonrefundable minimum annual licensing fees are received upfront and represent a minimum guarantee of fees to be received from the licensee (for sales made by that party to end-users) during the period of the arrangement. We generally cannot determine the amount of up-front license fees that have been earned during a given period until we receive a report from the customer. Accordingly, we amortize the total up-front fee paid by the customer ratably over the term of the arrangement. When we determine that the actual amount of licensing fees earned exceeds the cumulative revenue recognized under the amortization method (because the customer reports licensing fees to us that exceed this amount), we recognize the additional licensing revenue.

For advertising related revenue on radio and television stations, revenue is recognized when the advertisements are aired. Revenue from Internet and wireless advertising is recognized over the period during which the advertisement is displayed or aired.

Licensing arrangements that entitle the customer to unspecified updates over a period of time are recognized as revenue ratably over the period of the arrangement.

#### *Allowance for Doubtful Accounts*

We record allowances for estimated losses from uncollectible accounts based upon specifically identified amounts that we believe to be uncollectible. In addition, we record additional allowances based on historical experience and our assessment of the general financial condition of our customer base. If our actual collections experience changes, revisions to our allowances may be required.

We have a number of customers with individually large amounts due at any given balance sheet date. Any unanticipated change in the creditworthiness of one of these customers or other matters affecting the collectibility of amounts due from these customers could have a material adverse affect on our results of operations in the period in which these changes or events occur.

The allowance for doubtful accounts as reflected in our consolidated balance sheet reflects our best estimate of the amount of our gross accounts receivable that will not be collected. Our actual level of bad debts has been relatively stable in recent years, which we believe is due to our practice of requiring customer prepayments in certain instances together with prompt identification of potential problem accounts. We continue to refine our estimates for bad debts as our business grows, and while our credit losses have historically been within both our expectations and the provision recorded, fluctuations in credit loss rates in the future may affect our financial results.

#### *Database Creation, Distribution and Software Development Costs*

We have invested significant amounts in creating and updating our database and developing related software applications for internal use. Database creation and distribution costs consist of database creation and updating, database licensing and distribution, and database-related software development. Database creation and updating costs are expensed as incurred. These costs include the direct costs of database creation and validation, costs to obtain information used to construct the database, and ongoing costs for updating and enhancing the database content. Database licensing and distribution costs include the direct costs related to reproduction of the database for licensing and per-copy sales and shipping and handling costs. Database-related software development costs consist primarily of costs for the development of software as follows: (i) applications used internally to improve the effectiveness of database creation and updating activities, (ii) enhancements to internal applications that enable our core database to operate with emerging technologies, and (iii) applications to facilitate customer use of our database. Costs of internal-use software are accounted for in accordance with AICPA Statement of Position (“SOP”) No. 98-1, “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.” Accordingly, certain application development costs relating to internal-use software have been capitalized and are being amortized on a straight-line basis over the estimated useful lives of the assets. It is

possible that our estimates of the remaining economic life of the technology could change from the current amortization periods. In that event, impairment charges or shortened useful lives of internal-use software could be required.

### *Impairment of Long-lived Assets*

As of December 31, 2006 and 2007, our long-lived assets consisted of property and equipment, internal-use software and acquired intangible assets. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Additionally, goodwill is reviewed on at least an annual basis as well to determine if our recorded goodwill amounts are impaired in any manner. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Significant management judgment is required in determining the fair value of our long-lived assets to measure impairment, including projections of future discounted cash flows.

### *Realizability of Deferred Tax Assets*

The assessment of the realizability of deferred tax assets involves a high degree of judgment and complexity. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences, as determined pursuant to SFAS No. 109, "Accounting for Income Taxes," become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Management's evaluation of the realizability of deferred tax assets must consider both positive and negative evidence, and the weight given to the potential effects of positive and negative evidence is based on the extent to which it can be objectively verified. After evaluating the available evidence, management determined that sufficient objective evidence existed to conclude that it was more likely than not that the majority of deferred tax assets would be realized.

As of December 31, 2007, we had a valuation allowance for deferred tax assets of \$3,190 related to U.S. state, Mexican, and Korean net operating loss carryforwards, and U.S. Federal research and experimental tax credits.

We cannot assure you that we will continue to experience taxable income at levels consistent with recent performance in some or all of the jurisdictions in which we do business. In the event that actual taxable income differs from our projections of taxable income by

jurisdiction, changes in the valuation allowance, which could affect our financial position and net income, may be required.

## **Results of Operations**

### *Comparison of Years Ended December 31, 2006 and 2007*

*Operating Income, Net Income and Net Income Per Share of Common Stock.* Our operating income increased from \$153,696 in 2006 to \$226,151 in 2007, due primarily to revenue growth. This revenue growth was partially offset by higher operating expenses. Our net income increased from \$109,970 in 2006 to \$172,950 in 2007 due to the higher operating income, lower effective tax rate and an increase in interest income. Basic net income per share of common stock increased from \$1.18 in 2006 to \$1.78 in 2007. Diluted net income per share of common stock increased from \$1.15 in 2006 to \$1.73 in 2007.

The following table highlights changes in selected line items, which are material to our results of operations. An analysis of the factors affecting each line is provided in the paragraphs that appear after the table.

	2006	2007	Change	% Change
Net revenue	\$ 581,619	853,387	271,768	46.7 %
Database creation and distribution costs	275,449	395,778	120,329	43.7 %
Selling, general and administrative expenses	152,474	231,458	78,984	51.8 %
Other income	10,249	17,884	7,635	74.5 %
Income tax expense	54,481	71,085	16,604	30.5 %

*Net Revenue.* The increase in net revenue was primarily due to an increase in database licensing, resulting primarily from increased unit sales to customers, and to a lesser extent, an increase in advertising revenues, which is primarily attributable to acquisitions. Growth occurred in both the EMEA and Americas geographic regions in 2007. EMEA revenue increased 31.2% from \$360,056 in 2006 to \$472,523 in 2007. Americas revenue increased 72.7% from \$216,150 in 2006 to \$373,303 in 2007. EMEA and Americas revenue both increased primarily due to an increase in unit sales to vehicle navigation system vendors, automobile manufacturers and mobile device manufacturers. In addition, advertising revenue of \$49,574, primarily related to the Traffic.com acquisition, also contributed to the increase in Americas revenue in 2007. Differences in foreign currency translation increased revenue within EMEA operations by approximately \$34,013 during 2007 as compared to 2006. Excluding the effect of the foreign currency translation, EMEA revenue would have grown 21.8% in 2007 as compared to 2006. Approximately 12% and 15% of our revenues from 2006 and 2007, respectively, came from one customer in each year, although these were two different customers.

*Database Creation and Delivery Costs.* The increase in database creation and delivery costs was due primarily to geographic expansion, quality improvements and increased costs due to our three recent acquisitions. The capitalization of \$9,055 and \$20,552 for 2006 and 2007, respectively, for internal-use software reduced our expenses in those periods. An unfavorable foreign currency translation effect increased expenses within EMEA operations by approximately \$12,134 in 2007 as compared to 2006.

Approximately 52% of our database creation and delivery costs for 2007 were comprised of personnel, software amortization, stock-based compensation, occupancy, and other business infrastructure expenses. Our direct delivery costs were approximately 20% of database creation and delivery costs in 2007. Our direct delivery costs were approximately 32% of our database creation and delivery costs in 2007. Database creation and delivery costs for The Map Network, which was acquired in December 2006, and Traffic.com, which was acquired in March 2007, were approximately \$6,015 and \$46,723 in 2007, respectively. Database creation and delivery costs for The Map Network were approximately \$128 in 2006. Database creation and delivery costs for Mapsolute were approximately \$801 in 2007.

*Selling, General and Administrative Expenses.* The increase in selling, general and administrative expenses was due primarily to our investments in growing our worldwide sales force, expanding the breadth of our product offerings and expenses related to improving our infrastructure to support future growth, costs incurred related to our pending acquisition by Nokia and increased costs due to three recent acquisitions. Stock based compensation expense of \$11,665 was recorded in selling, general and administrative expense in 2006, compared to \$17,074 in 2007. An unfavorable foreign currency translation effect increased expenses within EMEA operations by approximately \$5,194 for 2007 as compared to 2006. Costs incurred related to our pending acquisition by Nokia were \$6,600 in 2007. Selling, general, and administrative expenses for The Map Network and Traffic.com were approximately \$6,579 and \$24,797 in 2007, respectively. Selling, general and administrative expenses for The Map Network were approximately \$248 in 2006. Selling, general and administrative expenses for Mapsolute were approximately \$2,875 in 2007.

Approximately 73% of our selling, general, and administrative expenses for 2007 were comprised of personnel, stock-based compensation, occupancy and other business infrastructure expenses. This base of expenses has increased as we have expanded our business.

*Other Income.* Interest income increased from \$11,269 in 2006 to \$18,492 in 2007, primarily due to higher average investment balances in 2007, as well as higher percentage returns on invested cash.

**Income Tax Expense.** The increase in income tax expense is primarily due to an increase in operating income in 2007 compared to 2006, which is partially offset by a decrease in the effective tax rate. The effective tax rate in 2006 was 33.2%, as compared to 29.1% in 2007. The decrease in the effective tax rate was primarily due to legislation in the Netherlands that reduced the 2006 statutory corporate income tax rate from 29.60% to a 2007 statutory corporate income tax rate of 25.50%.

### ***Comparison of Years Ended December 31, 2005 and 2006***

**Operating Income, Net Income and Net Income Per Share of Common Stock.** Our operating income increased from \$134,256 in 2005 to \$153,696 in 2006, due primarily to our revenue growth in 2006. Our net income decreased from \$170,830 in 2005 to \$109,970 in 2006 due to an income tax benefit of \$83,270 recorded in 2005 primarily related to the reversal of the valuation allowance on a portion of our deferred tax assets offset by higher operating income and a lower effective tax rate in 2006. Basic net income per share of common stock decreased from \$1.90 in 2005 to \$1.18 in 2006. Diluted net income per share of common stock decreased from \$1.81 in 2005 to \$1.15 in 2006.

The following table highlights changes in selected line items, which are material to our results of operations. An analysis of the factors affecting each line is provided in the paragraphs that appear after the table. In addition, the percentage change for income tax (benefit) expense as compared to the prior year is not specified below. We believe that this percentage is not meaningful since the change is unusually large due to a non-recurring item more fully described in the narrative section below.

	<u>2005</u>	<u>2006</u>	<u>Change</u>	<u>% Change</u>
Net revenue	\$ 496,512	581,619	85,107	17.1 %
Database creation and distribution costs	236,405	275,449	39,044	16.5 %
Selling, general and administrative expenses	125,851	152,474	26,623	21.2 %
Other income	4,735	10,249	5,514	116.5 %
Income tax (benefit) expense	(31,839)	54,481	86,320	

**Net Revenue.** The increase in net revenue was due to an increase in database licensing, resulting primarily from increased unit sales to customers. Growth occurred in EMEA and Americas in 2006. EMEA revenue increased 13.9% from \$316,208 in 2005 to \$360,056 in 2006. Americas revenue increased 25.1% from \$172,789 in 2005 to \$216,150 in 2006. EMEA and Americas revenue both increased primarily due to the increase in unit sales to vehicle navigation systems vendors, automobile manufacturers and mobile device manufacturers. Differences in foreign currency translation increased revenue within the EMEA operations by approximately \$5,236 during 2006 as compared to 2005. Revenue related to sales of our database used in vehicle navigation systems as a percentage of our revenue decreased to 66% of our revenue in 2006 from 72% of our revenue in 2005. Excluding the effect of the foreign currency translation, EMEA revenue would have grown 12.2% in 2006 as compared to 2005. Approximately 13% and 12% of our revenues from 2005 and 2006, respectively, came from one customer.

**Database Creation and Distribution Costs.** The increase in database creation and distribution costs was due primarily to geographic expansion and quality improvements. The capitalization of \$12,369 and \$9,055 for 2005 and 2006, respectively, for internal-use software reduced our expenses in those periods. A favorable foreign currency translation effect decreased expenses within EMEA operations by approximately \$2,502 in 2006 as compared to 2005.

Approximately 53% of our database creation and distribution costs for 2006 were comprised of personnel, software amortization, stock-based compensation, occupancy, and other business infrastructure expenses. Our direct distribution costs were approximately 33% of database creation and distribution costs in 2006.

**Selling, General and Administrative Expenses.** The increase in selling, general and administrative expenses was due primarily to our investments in growing our worldwide sales force and expanding the breadth of our product offerings and expenses related to improving our infrastructure to support future growth. Stock based compensation expense of \$8,236 was recorded in selling, general and administrative expense in 2005, compared to \$11,665 in 2006. A favorable foreign currency translation effect decreased expenses within EMEA operations by approximately \$977 for 2006 as compared to 2005.



Approximately 75% of our selling, general, and administrative expenses for 2006 were comprised of personnel, stock-based compensation, occupancy and other business infrastructure expenses.

*Other Income.* Interest income increased from \$4,262 in 2005 to \$11,269 in 2006 primarily due to higher average cash balances in 2006 as well as higher percentage returns on the invested cash.

*Income Tax (Benefit) Expense.* The increase in income tax expense is primarily due to the income tax benefit of \$83,270 recorded in the third quarter of 2005, as a result of the reversal of the valuation allowance on a portion of our deferred tax asset. Excluding the effects of the net income tax benefit, the effective tax rate in 2005 was 35.16% as compared to 33.2% in 2006. The decrease in the effective tax rate was primarily due to legislation in the Netherlands enacted during the fourth quarter of 2005 that reduced the 2006 statutory corporate income tax rate to 29.6%. The 2005 statutory corporate income tax rate in the Netherlands was 31.5%.

## Liquidity and Capital Resources

Since 2002, we have financed our operations through cash generated from operating income. As of December 31, 2007, cash and cash equivalents and marketable securities totaled \$462,838 compared to cash and cash equivalents and marketable securities as of December 31, 2006 in the amount of \$322,531, which represents an increase of \$140,307.

On November 30, 2007, we extended through our operating subsidiary for North America, our revolving line of credit that was scheduled to mature on December 1, 2007. Pursuant to the terms of the line of credit, we may borrow up to \$50,000 at an interest rate of either U.S. LIBOR plus 0.5% or the greater of the prime rate or the Federal funds rate plus 0.5%. We are required to pay to the bank a quarterly facility fee of 7.5 basis points per annum on the average daily unused commitment. We have guaranteed our operating subsidiary's obligations under this facility. As of December 31, 2007, there were no outstanding borrowings against this line of credit. This line of credit expires on December 1, 2008.

We believe that our current cash resources on hand, temporary excess cash deposited in cash equivalents and marketable securities, and cash flows from operations, together with funds available from the revolving line of credit, will be adequate to satisfy our anticipated working capital needs and capital expenditure requirements at our current level of operations for at least the next twelve months. We do, however, consider additional debt and equity financing from time to time and may enter into these financings in the future.

During 2007, we utilized approximately \$90,490, net of the cash acquired, in cash to fund acquisitions, which primarily related to the acquisitions of Traffic.com and Mapsolute. The majority of the merger consideration for Traffic.com was paid in shares of our common stock and the conversion of outstanding Traffic.com stock options and warrants into options and warrants to purchase our common stock.

Since the first quarter of 2002, our operations have continued to produce positive cash flows. The cash flows have been driven by increased demand for our products and our ability to deliver these products profitably and collect receivables from our customers effectively. These funds have allowed us to make investments required to grow the business and have provided us excess cash. Since August 2004, we have invested cash balances in excess of our short-term operational needs in cash equivalents and marketable securities of high credit quality.

The following table presents our contractual cash obligations as of December 31, 2007:

### Payments Due by Period

Contractual Cash Obligations	Total	1 year or less	1-3 years	4-5 years	After 5 years
Operating leases	\$ 166,242	23,081	38,134	21,110	83,917

We do not have any off-balance sheet arrangements other than the operating leases identified in the table above. The above table excludes the liability for unrecognized tax benefits as such are not contractual cash obligations by nature. We cannot determine with any degree of reliability the years in which these liabilities might ultimately settle.

Cash and cash equivalents increased by \$37,522 during the year ended December 31, 2007. The changes in cash and cash equivalents for the periods ended are as follows:

	Year Ended Dec. 31,		
	2005	2006	2007
Cash provided by operating activities	\$ 137,753	140,008	292,946
Cash used in investing activities	(94,530)	(134,813)	(284,020)
Cash provided by financing activities	14,190	26,256	19,579
Effect of exchange rates on cash	(2,444)	5,814	9,017
Increase in cash and cash equivalents	\$ 54,969	37,265	37,522

### *Operating Activities*

For each of the past three fiscal years, net cash provided by operating activities has improved significantly, primarily as a result of improved operating results driven by increased demand for our products. In general, the growth in our operating assets and liabilities has coincided with the profitable growth in our business. Accounts receivable increased \$29,693, \$40,213 and \$46,915 for the years ended December 31, 2005, 2006 and 2007, respectively, primarily due to the overall growth in our revenue. Prepaid expenses and other current assets increased by \$5,006 and \$13,527 for the years ended December 31, 2005 and 2007, respectively, due to the overall growth of our business and an increase in taxes receivable in 2007. Accounts payable increased \$6,057 during the year ended December 31, 2005 primarily due to expenses incurred related to the growth of our operations and the timing of the related payments. Accrued payroll and related liabilities increased \$11,103 during 2007 primarily due to the accrual of annual employee compensation

programs that was paid in the first quarter of 2008. Accrued rebates increased \$11,993 and \$45,370 for the years ended December 31, 2006 and 2007, respectively, due to rebates earned by our customers, which are fulfilled during the year subsequent to their accrual. Deferred revenue decreased by \$10,442 and increased by \$14,961 for the years ended December 31, 2006 and 2007, respectively, primarily due to the timing of the receipt and the ability to recognize revenue related to customer prepayments. Other long-term obligations increased by \$24,915 during 2007 primarily due to an increase in a deferred lease liability related to leasehold incentives received in our new headquarters building in Chicago.

### *Investing Activities*

Cash used in investing activities has primarily consisted of capitalized costs related to software developed for internal use, investments in marketable securities and capital expenditures, and acquisitions. We experienced temporary excess funds that were provided from operations in 2005, 2006, and 2007. We invested those excess funds in cash equivalents and marketable securities. During 2005, 2006 and 2007, we invested \$62,260, \$65,408 and \$98,372, respectively, in marketable securities.

In 2005, we paid \$8,234, net of the cash received, for the acquisition of our Korean subsidiary. In 2006, we paid \$42,216, net of the cash received, for the acquisitions of The Map Network, Inc. and a digital mapping business from gedas Mexico, S.A. de C.V. In 2007, we paid, net of the cash acquired, \$90,490 primarily for the acquisitions of Traffic.com and Mapsolute.

Costs for software developed for internal use have been capitalized in accordance with SOP 98-1 and are related to applications used internally to improve the effectiveness of database creation and updating activities, enhancements to internal applications that enable our core database to operate with emerging technologies and applications to facilitate usage of our map database by customers. Capitalized costs

totalled \$12,369, \$9,055 and \$20,552 for 2005, 2006, and 2007, respectively. We expect the capitalized costs related to software developed for internal use to be approximately \$25,000 to \$35,000 in 2008.

We have continued to invest in property and equipment to meet the demands of growing our business by expanding our facilities and providing the necessary infrastructure. Capital expenditures totaled \$10,466, \$17,834 and \$74,606 during 2005, 2006 and 2007, respectively. We expect capital expenditures to total approximately \$70,000 to \$85,000 in 2008.

### *Financing Activities*

In 2006 and 2007, we received \$26,256 and \$19,579, respectively, related to the issuance of common stock pursuant to our stock incentive plans.

### **Recent Accounting Pronouncements**

In December 2007, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 141(R), “Business Combinations.” SFAS 141R improves financial reporting by creating greater consistency in the accounting and financial reporting of business combinations, resulting in more complete, comparable, and relevant information for investors and other users of financial statements. SFAS 141R requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combinations. SFAS 141R includes both core principles and pertinent application guidance, eliminating the need for numerous Emerging Issues Task Force issues and other interpretive guidance. SFAS 141R is effective for fiscal years beginning after December 15, 2008. We are evaluating the effect SFAS 141R will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements.” SFAS 160 improves the relevance, comparability, and transparency of financial information provided to investors by requiring all entities to report noncontrolling (minority) interests in subsidiaries in the same way – as equity in the consolidated financial statements. Moreover, SFAS 160 eliminates the diversity that currently exists in accounting for transactions between an entity and noncontrolling interests by requiring they be treated as equity transactions. SFAS 160 is effective for fiscal years beginning after December 15, 2008. We are evaluating the effect SFAS 160 will have on our consolidated financial statements.

### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

We invest our cash in highly liquid cash equivalents and marketable securities. A percentage point change in interest rates would result in an approximately \$3,000 increase or decrease to interest income depending on the direction of the interest rate change.

Material portions of our revenue and expenses have been generated by our European operations, and we expect that our European operations will account for a material portion of our revenue and expenses in the future. In addition, substantially all of our expenses and revenue related to our international operations are denominated in foreign currencies, principally the euro.

### **Item 8. Financial Statements and Supplementary Data.**

See Financial Statements beginning on page F-1 following the Exhibit Index and the Financial Statement Schedule beginning immediately following the financial statements.

### **Item 9. Changes in and Disagreements With Accountants On Accounting and Financial Disclosure.**

Not applicable.

### **Item 9A. Controls and Procedures.**

Our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 2004, as amended (the “Exchange Act”) are designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. As required by Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2007. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2007, our disclosure controls and procedures were effective in providing such reasonable assurance.

*Management’s Report on Internal Control over Financial Reporting.*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) of the Exchange Act. Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2007 based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. We acquired Traffic.com, Inc. during 2007, and we excluded from our assessment of the effectiveness of our internal control over financial reporting as of December 31, 2007, Traffic.com Inc.’ s internal control over financial reporting associated with total assets of \$269,311 and total revenues of \$47,197 included in our consolidated financial statements as of and for the year ended December 31, 2007. As a result of this assessment, management concluded that, as of December 31, 2007, our internal control over financial reporting was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

*Changes in Internal Control Over Financial Reporting.*

There have been no changes in our internal control over financial reporting identified in connection with management’s evaluation that occurred during our last fiscal quarter (the fourth quarter of 2007) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

*Limitations on Controls.*

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can only provide reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders  
NAVTEQ Corporation:

We have audited NAVTEQ Corporation’s internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). NAVTEQ Corporation’s management is responsible for maintaining effective internal control over financial reporting and for its assessment

of the effectiveness of internal control over financial reporting, included in the accompanying Management' s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company' s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company' s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company' s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company' s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, NAVTEQ Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

NAVTEQ Corporation acquired Traffic.com, Inc. during 2007, and management excluded from its assessment of the effectiveness of NAVTEQ Corporation' s internal control over financial reporting as of December 31, 2007, Traffic.com Inc.' s internal control over financial reporting associated with total assets of \$269,311 and total revenues of \$47,197 included in the consolidated financial statements of NAVTEQ Corporation as of and for the year ended December 31, 2007. Our audit of internal control over financial reporting of NAVTEQ Corporation also excluded an evaluation of the internal control over financial reporting of Traffic.com, Inc.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of NAVTEQ Corporation and subsidiaries as of December 31, 2006 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2007, and our report dated February 29, 2008 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Chicago, Illinois  
February 29, 2008

## Item 9B. Other Information

None.

## PART III

## **Item 10. Directors and Executive Officers.**

### **Executive Officers and Directors.**

The information required by this item relating to our directors and nominees, and compliance with Section 16(a) of the Securities Act of 1934 is included under the captions “Proposal No. 1 – Election of Directors,” “Information About the Board of Directors” and “Other Matters - Section 16(a) Beneficial Ownership Reporting Compliance,” in our Proxy Statement related to the 2008 Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference. If the Proxy Statement is not filed within this 120 day period, we will file an amendment to this Annual Report on Form 10-K to provide the required information.

The information required by this item relating to our executive officers is included under the caption “Executive Officers of the Registrant” in Part I of this report and is incorporated by reference into this section.

### **Code of Ethics**

The Company has adopted a code of ethics, known as our Code of Ethics and Business Conduct, that applies to all employees including the Company’s principal executive officer, principal financial officer, principal accounting officer and controller and persons performing similar functions. This code of ethics can be found on our web site at [www.navteq.com](http://www.navteq.com) by completing the following steps:

- First, click on Investor Relations;
- Click on Corporate Governance; and
- Finally, click on either Code of Conduct – NA, Code of Conduct – EU or Code of Conduct - Korea, for our North America, European and Korean codes of ethics, respectively.

Stockholders may also obtain a copy of the Code of Ethics and Business Conduct by submitting a request for such copy to NAVTEQ, c/o Corporate Secretary, 425 W. Randolph Street, Chicago, Illinois 60606.

### **Committee Charters and Corporate Governance Guidelines**

A copy of the charters for the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee as well as our Corporate Governance Guidelines are available on our web site at [www.navteq.com](http://www.navteq.com) under “Investor Relations – Corporate Governance.” Stockholders may also obtain copies of these charters and our Corporate Governance Guidelines by submitting a request for any such copy to NAVTEQ, c/o Corporate Secretary, 425 W. Randolph Street, Chicago, Illinois 60606.

### **Procedures to Recommend Nominees**

There has not been any material change to the procedures by which security holders may recommend nominees to our board of directors that were implemented since the description of such policy in our Proxy Statement related to the 2007 Annual Meeting of Stockholders.

### **Audit Committee**

The Board of Directors has adopted a written charter that outlines the duties of the Audit Committee. A copy of this charter is available on our web site at [www.navteq.com](http://www.navteq.com) under “Investor Relations–Corporate Governance.” A hard copy of the charter is also available upon written request to the Corporate Secretary, 425 W. Randolph Street, Chicago, Illinois 60606. The Audit Committee is primarily concerned with the accuracy and effectiveness of the audits conducted by our internal audit staff and the audits of our financial statements by our independent auditors. Its duties include:



- selecting independent auditors;
- reviewing the scope of the audit to be conducted by the independent auditors and the results of their audit;
- approving non-audit services provided to us by the independent auditor;
- reviewing the integrity, adequacy and effectiveness of our financial reporting process and internal controls;
- reviewing and discussing our financial reporting practices, including the disclosures in our annual and quarterly

reports and the accounting standards and principles followed;

- reviewing the scope and results of the work performed by our internal audit staff; and
- conducting other reviews relating to compliance by our employees with our policies and applicable laws.

*Members:* Mr. Kimsey (Chairman), Mr. Miller and Mr. van Ommeren. The Board of Directors has determined that all of the members of the Audit Committee are “independent” as defined by the applicable rules and regulations of the New York Stock Exchange and the Securities and Exchange Commission and that Mr. Kimsey and Mr. van Ommeren are each “audit committee financial experts” as that term is defined in the Securities and Exchange Commission’s rules and regulations. In addition, in accordance with the New York Stock Exchange listed company requirements, the Board has determined that Mr. Kimsey’s service on the audit committees of three other public companies will not impair Mr. Kimsey’s ability to serve on our Audit Committee.

#### **Item 11. Executive Compensation**

The information required by this item is included under the caption “Information about the Board of Directors – Board of Directors Compensation”, “Executive Compensation” “Compensation Committee Interlocks and Insider participation” and “Compensation Committee Report” in our Proxy Statement related to the 2008 Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference. If the Proxy Statement is not filed within this 120 day period, we will file an amendment to this Annual Report on Form 10-K to provide the required information.

### **PART IV**

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information required by this item related to security ownership of certain beneficial owners and management is included under the caption “Security Ownership of NAVTEQ” in our Proxy Statement related to the 2008 Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference. If the Proxy Statement is not filed within this 120 day period, we will file an amendment to this Annual Report on Form 10-K to provide the required information.

#### **Securities Authorized for Issuance under Equity Compensation Plans**

The following table provides information as of December 31, 2007, regarding the number of shares of common stock that may be issued under the Company’s equity compensation plans.

Plan Category	Number of securities	Weighted-average	Number of securities
	to be issued upon		remaining available
	exercise of	exercise price of	for future issuance under

	outstanding options, warrants and rights	outstanding options, warrants and rights	equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	6,813,327	\$ 16.95	7,010,768
Equity compensation plans not approved by security holders	—	—	—
Total	<u>6,813,327</u>	<u>\$ 16.95</u>	<u>7,010,768</u>

The number of securities remaining available for future issuance under equity compensation plans set forth above represents shares available for issuance under the Company's Amended and Restated 2001 Stock Incentive Plan.

### Item 13. Certain Relationships and Related Transactions.

The information required by this item related to director independence and certain transactions with related persons is included under the captions "Information about the Board of Directors – Independence" and "Transactions with Related Persons, Promoters and Certain Control Persons", respectively, in our Proxy Statement related to the 2008 Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference. If the Proxy Statement is not filed within this 120 day period, we will file an amendment to this Annual Report on Form 10-K to provide the required information.

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### Item 14. Principal Accountant Fees and Services.

The information required by this item is set forth under the caption "Other Matters" in our Proxy Statement related to our 2008 Annual Meeting of Stockholders to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K and is incorporated herein by reference. If the Proxy Statement is not filed within this 120 day period, the Company will file an amendment to this Annual Report on Form 10-K, to provide the required information.

## PART V

### Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

- (a)(1) See Item 8.
- (a)(2) See Item 8.
- (a)(3) Exhibits. See Exhibit Index immediately following the Signature Page.
- (b) Exhibits. See Exhibit Index immediately following the Signature Page.
- (c) Additional financial statement schedules. Schedule II - Valuation and Qualifying Accounts.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 29, 2008

**NAVTEQ CORPORATION**

By: /s/ Judson C. Green  
Judson C. Green  
*President and Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

**Signatures**

**Date**

/s/ Judson C. Green

February 29, 2008

Judson C. Green  
President, Chief Executive Officer and  
a Director (Principal Executive Officer)

/s/ David B. Mullen

February 29, 2008

David B. Mullen  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

/s/ James D. Murphy

February 29, 2008

James D. Murphy  
Vice President and Corporate Controller  
(Principal Accounting Officer)

\*

February 29, 2008

Richard J.A. de Lange  
Director

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February 29, 2008

Christopher Galvin  
Director

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February 29, 2008

Andrew J. Green

Director

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February 29, 2008

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William L. Kimsey  
Director

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February 29, 2008

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Scott D. Miller  
Director

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February 29, 2008

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Dirk-Jan van Ommeren  
Director

\*By:

/s/ Judson C. Green

February 29, 2008

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Judson C. Green, as  
Attorney-in-Fact

## EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger by and among NAVTEQ Corporation, NAVTEQ Holdings, B.V., NAVTEQ Holdings Delaware, Inc. and Traffic.com, Inc. dated as of November 5, 2006. (1)
2.2	Agreement and Plan of Merger by and among NAVTEQ Corporation, NAVTEQ Holdings, B.V., NAVTEQ Holdings Delaware II, Inc., The Map Network, Inc. and Gannett Satellite Information Network, Inc. dated as of December 5, 2006. (2)
2.3	Agreement and Plan of Merger by and among Nokia Inc., North Acquisition Corp. and NAVTEQ Corporation dated as of October 1, 2007. (3)
3.1	Amended and Restated Certificate of Incorporation. (4)
3.2	Amended and Restated Bylaws. (4)
4.1	Specimen Common Stock Certificate. (4)
4.2	Stock Option Agreement dated as of May 15, 2002 between Navigation Technologies and Judson C. Green. (*) (5)
4.3(a)	Stock Option Agreement dated as of May 15, 2002 between Navigation Technologies and John K. MacLeod. (*) (5)
4.3(b)	Stock Option Agreement dated as of May 15, 2002 between Navigation Technologies and John K. MacLeod. (*) (5)
4.4	Form of Subscription and Registration Rights Agreement by and between NAVTEQ Corporation and the Shareholders of Picture Map International Co., Ltd. (6)
4.5	Warrant to Purchase Shares of Common Stock of NAVTEQ Corporation issued to Hearst Communications, Inc. (7)
4.6	Warrant to Purchase Shares of Common Stock of NAVTEQ Corporation issued to National Electric Benefit Fund (7)

- 4.7 Warrant to Purchase Shares of Common Stock of NAVTEQ Corporation issued to PNC Bank, National Association (7)
- 10.1 Amended and Restated Employment Agreement dated as of April 30, 2004 between NAVTEQ Corporation and Judson C. Green. (\*) (4)
- 10.2 Employment Agreement dated as of September 18, 2000 between Navigation Technologies and John K. MacLeod. (\*) (8)
- 10.3 Employment Agreement dated as of December 1, 2002 between Navigation Technologies Corporation and David B. Mullen. (\*) (5)
- 10.4 Form of Indemnification Agreement. (4)
- 10.5(i) BMW Group International Terms and Conditions for the Purchase of Production Materials and Automotive Components dated September 24, 2001. (9)
- 10.5(ii) Purchasing Terms and Conditions between BMW North America, Inc. and Navigation Technologies. (c) (10)
- 10.5(iii) Agreement between BMW (South Africa) (Proprietary) Limited and Navigation Technologies B.V. commencing June 1, 1999 (the "South Africa Agreement"). (c) (10)
- 10.5(iv) Amendment to South Africa Agreement. (c) (9)
- 10.5(v) Warranty Agreement dated August 8, 1998 between Bayerische Motoren Werke and Navigation Technologies BV (the "Warranty Agreement"). (c) (9)
- 10.5(vi) Letter regarding Warranty Agreement dated May 22, 2002 from Bayerische Motoren Werke to Navigation Technologies BV. (9)
- 10.5(vii) Addendum to BMW Group International terms and conditions for the purchase of production materials and automotive components by and between BMW of North America (Buyer) and NAVTEQ (Seller). (c) (11)
- 10.5(viii) Digital Roadmap License Agreement between Bayerische Motoren Werke Aktiengesellschaft (BMW) and NAVTEQ Europe B.V. dated May 8, 2007. (c) (12)
- 10.6 Credit Agreement dated as of November 9, 2004 between NAVTEQ North America, LLC and LaSalle Bank, National Association. (13)
- 10.7 Guaranty by NAVTEQ Corporation dated as of November 9, 2004 in favor of LaSalle Bank, National Association. (13)
- 10.8 Amendment No. 1 dated as of November 30, 2005 to Credit Agreement between NAVTEQ North America, LLC, NAVTEQ Corporation and LaSalle Bank, National Association. (14)
- 10.9 Amendment No. 2 dated as of November 30, 2006 to Credit Agreement between NAVTEQ North America, LLC, NAVTEQ Corporation and LaSalle Bank, National Association. (15)
- 10.10 Consent and Amendment No. 3 dated as of November 30, 2007 to Credit Agreement between NAVTEQ North America, LLC, NAVTEQ Corporation and LaSalle Bank, National Association. (16)

- 10.11 Memorandum regarding Director Compensation.\* (17)
- 10.12 Form of Stock Option Agreement under NAVTEQ Corporation's Amended and Restated 2001 Stock Incentive Plan.\* (17)
- 10.13 Form of Restricted Stock Unit Agreement (Not Performance-Based) under NAVTEQ Corporation's Amended and Restated 2001 Stock Incentive Plan.\* (17)
- 10.14 Form of Restricted Stock Unit Agreement (Qualified Performance-Based Compensation under Section 162(m) of the Internal Revenue Code) under NAVTEQ Corporation's 2001 Stock Incentive Plan.\* (17)
- 10.15 Form of Restricted Stock Unit Agreement (Performance-Based) under NAVTEQ Corporation's Amended and Restated 2001 Stock Incentive Plan.\* (17)
- 10.16 Stock Purchase Agreement by and among NAVTEQ B.V., NAVTEQ Corporation, Picture Map International Co., Ltd. and All Shareholders of Picture Map International Co., Ltd. dated as of July 8, 2005. (6)
- 10.17 Amended and Restated 2001 Stock Incentive Plan\* (18)
- 10.18 Amendments to stock option agreements between NAVTEQ Corporation and Denis Cohen dated August 17, 2006\* (18)

- 10.19(a) Stockholder Voting Agreement dated as of November 6, 2006 by and among NAVTEQ Corporation, NAVTEQ Holdings B.V., NAVTEQ Holdings Delaware, Inc., Traffic.com, Inc. and the person whose name appears on the signature page hereto as a Stockholder. (1)
- 10.19(b) Stockholder Voting Agreement dated as of November 6, 2006 by and among NAVTEQ Corporation, NAVTEQ Holdings B.V., NAVTEQ Holdings, Inc., Traffic.com, Inc. and the person whose name appears on the signature page hereto as a Stockholder (1)
- 10.20 Amended and Restated 2001 Stock Incentive Plan Restricted Stock Unit Agreement (Form for Directors)\*(12)
- 10.21 Employment Agreement dated February 26, 2001 between Navigation Technologies Corporation and Jeffery L. Mize.\*(7)
- 10.22 International Assignment Agreement dated March 2003 between Navigation Technologies Corporation and Jeffery L. Mize.\*(7)
- 10.23 Traffic.com, Inc. Amended and Restated 1999 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.1 to Traffic.com, Inc.' s Registration Statement on Form S-1 (No. 333-127973) filed on August 31, 2005)
- 10.24 Traffic.com, Inc. 2005 Long-Term Incentive Plan (Incorporated herein by reference to Exhibit 10.2 to Traffic.com, Inc.' s Registration Statement on Form S-1 (No. 333-127973) filed on January 24, 2006)
- 10.25 Amendment to Employment Agreement between NAVTEQ Corporation and Judson Green dated September 28, 2007\*(19)
- 10.26 Amendment to Employment Agreement between NAVTEQ Corporation and David Mullen dated September 27, 2007\*(19)
- 10.27 Amendment to Employment Agreement between NAVTEQ Corporation and John MacLeod dated September 26, 2007\*(19)
- 10.28 Amendment to Letter of Employment between NAVTEQ Corporation and Jeffrey Mize dated September 27, 2007\*(19)
- 10.29 NAVTEQ Deferred Executive Compensation Plan (Incorporated herein by reference to Exhibit 4.1 to NAVTEQ Corporation' s Registration Statement on Form S-8 (No. 333-146553) filed on October 5, 2007.)
- 10.30 Amendment No. 1 to the NAVTEQ Deferred Executive Compensation Plan (Incorporated herein by reference to Exhibit 4.2 to NAVTEQ Corporation' s Registration Statement on Form S-8 (No. 333-146553) filed on October 5, 2007.
- 10.31 Stock Purchase Agreement, dated as of November 6, 2007, by and among NAVTEQ German Holdings B.V., Mapsolute GbmH and the individuals listed on an exhibit thereto. (20)
- 10.32 (a) Data License Agreement between NAVTEQ Corporation (formerly known as Navigation Technologies Corporation) and Garmin International Incorporated effective July 1, 1999.  
 (b) Sixth Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ Europe B.V. effective March 1, 2004. (c)  
 (c) Seventh Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ Europe B. effective March 1, 2004 (c)  
 (d) Twentieth Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective July 2, 2007.  
 (e) Twenty-First Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective October 1, 2007. (c)

- (f) Twenty-Second Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective October 1, 2007. (c)
- (g) Twenty-Third Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective October 1, 2007. (c)
- (h) Twenty-Fourth Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective October 1, 2007. (c)
- (i) Twenty-Fifth Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective December 1, 2007(c)



- (j) Twenty-Sixth Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective November 15, 2007(c).
- (k) Twenty-Seventh Amendment to Data License Agreement between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ B.V. effective December 24, 2007(c)
- (l) Amended and Restated Territory License No. 8 between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ Europe B.V. effective January 1, 2007(c).
- (m) Amended and Restated Territory License No. 11 between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ Europe B.V. effective July 2, 2007(c)
- (n) Territory License No. 15 between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ Europe B.V. effective January 1, 2007 (c)
- (o) Territory License No. 16 between Garmin Corporation and Garmin International Inc., and NAVTEQ North America, LLC and NAVTEQ Europe B.V. effective May 25, 2007(c)

21 Subsidiaries of NAVTEQ.

23 Consent of KPMG LLP.

24 Power of Attorney by the Directors and Certain Officers.

31.1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002.

31.2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002.

32.1 Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

32.2 Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

(\*) Indicates management employment contracts or compensatory plans or arrangements.

(c) Portions omitted pursuant to a request for confidential treatment.

(1) Filed with NAVTEQ' s Current Report on Form 8-K dated November 6, 2006 and incorporated herein by reference.

(2) Filed with NAVTEQ' s Current Report on Form 8-K dated December 6, 2006 and incorporated herein by reference.

(3) Filed with NAVTEQ' s Current Report on Form 8-K dated October 1, 2007 and incorporated herein by reference.

(4) Filed with NAVTEQ' s Registration Statement on Form S-1 (Registration No. 333-114637), as amended, and incorporated herein by reference.

(5) Filed with NAVTEQ' s Annual Report on Form 10-K for the year ended December 31, 2002 and incorporated herein by reference.

(6) Filed with NAVTEQ' s Current Report on Form 8-K filed on July 12, 2005 and incorporated herein by reference.

(7) Filed with NAVTEQ' s Quarterly Report on Form 10-Q for the quarter ended April 1, 2007 and incorporated herein by reference.

(8) Filed with NAVTEQ' s Registration Statement on Form 10, Registration No. 000-21323 and incorporated herein by reference.

(9) Filed with NAVTEQ' s Amendment No. 2 to Annual Report on Form 10-K/A for the fiscal year ended December 31, 2001 and incorporated herein by reference.

(10) Filed with NAVTEQ' s Amendment No. 3 to the Annual Report on Form 10-K/A for the fiscal year ended December 31, 2001 and incorporated herein by reference.

(11) Filed with NAVTEQ' s Quarterly Report on Form 10-Q for the quarter ended September 25, 2005 and incorporated herein by reference.

- (12) Filed with NAVTEQ' s Quarterly Report on Form 10-Q for the quarter ended July 1, 2007 and incorporated herein by reference
- (13) Filed with NAVTEQ' s Current Report on Form 8-K filed on November 12, 2004 and incorporated herein by reference.
- (14) Filed with NAVTEQ' s Current Report on Form 8-K filed on December 5, 2005 and incorporated herein by reference.
- (15) Filed with NAVTEQ' s Current Report on Form 8-K dated December 4, 2006 and incorporated herein by reference.
- (16) Filed with NAVTEQ' s Current Report on Form 8-K dated December 3, 2006 and incorporated herein by reference.
- (17) Filed with NAVTEQ' s Annual Report on Form 10-K for the year ended December 31, 2006 and incorporated herein by reference.
- (18) Filed with NAVTEQ' s Quarterly Report on Form 10-Q for the quarter ended October 1, 2006 and incorporated herein by reference.
- (19) Filed with NAVTEQ' s Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 and incorporated herein by reference.
- (20) Filed with NAVTEQ' s Current Report on Form 8-K dated November 7, 2007 and incorporated herein by reference.

**NAVTEQ CORPORATION  
AND SUBSIDIARIES**

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders  
NAVTEQ Corporation:

We have audited the accompanying consolidated balance sheets of NAVTEQ Corporation and subsidiaries (the Company) as of December 31, 2006 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and

cash flows for each of the years in the three-year period ended December 31, 2007. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NAVTEQ Corporation and subsidiaries as of December 31, 2006 and 2007, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, during 2006 the Company adopted Statement of Financial Accounting Standards No. 123(R), Share-Based Payment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of NAVTEQ Corporation's internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 29, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Chicago, Illinois  
February 29, 2008

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**NAVTEQ CORPORATION  
AND SUBSIDIARIES  
Consolidated Balance Sheets  
(In thousands, except per share amounts)**

	<b>December 31, 2006</b>	<b>December 31, 2007</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 122,335	159,857
Short-term marketable securities	137,163	226,126
Accounts receivable, net of allowance for doubtful accounts of \$6,637 and \$10,369 in 2006 and 2007, respectively	126,081	193,505
Deferred income taxes, net	9,232	39,872
Prepaid expenses and other current assets	17,744	32,752
Total current assets	412,555	652,112

Property and equipment, net	27,462	111,687
Capitalized software development costs, net	18,844	27,084
Long-term deferred income taxes, net	187,391	198,620
Long-term marketable securities	63,033	76,855
Acquired intangible assets, net	27,035	71,353
Goodwill	45,779	176,603
Deposits and other assets	12,602	7,503
Total assets	<u>\$ 794,701</u>	<u>1,321,817</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 22,874	32,175
Accrued payroll and related liabilities	33,571	48,935
Accrued rebates	16,909	62,279
Other accrued expenses	38,439	52,362
Deferred revenue	28,618	45,582
Total current liabilities	<u>140,411</u>	<u>241,333</u>
Long-term deferred revenue	2,874	45,148
Other long-term liabilities	2,035	28,762
Total liabilities	<u>145,320</u>	<u>315,243</u>
Stockholders' equity:		
Common stock, \$0.001 par value; 400,000 shares authorized; 93,560 and 98,913 shares issued in 2006 and 2007, respectively; 93,560 and 98,554 shares outstanding in 2006 and 2007, respectively	94	99
Additional paid-in capital	853,197	1,019,085
Accumulated other comprehensive loss:		
Cumulative translation adjustment	(17,486)	2,406
Unrealized holding gain (loss) on available-for-sale marketable securities, net of tax	490	(1,052)
Total accumulated other comprehensive loss	<u>(16,996)</u>	<u>1,354</u>
Accumulated deficit	<u>(186,914)</u>	<u>(13,964)</u>
Total stockholders' equity	<u>649,381</u>	<u>1,006,574</u>
Total liabilities and stockholders' equity	<u>\$ 794,701</u>	<u>1,321,817</u>

See accompanying notes to consolidated financial statements.

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**NAVTEQ CORPORATION  
AND SUBSIDIARIES  
Consolidated Statements of Operations  
(In thousands, except per share amounts)**

	Years Ended December 31,		
	2005	2006	2007
Net revenue	\$ 496,512	581,619	853,387
Operating costs and expenses:			
Database creation and delivery costs	236,405	275,449	395,778
Selling, general, and administrative expenses	<u>125,851</u>	<u>152,474</u>	<u>231,458</u>

Total operating costs and expenses	362,256	427,923	627,236
Operating income	134,256	153,696	226,151
Other income (expense):			
Interest income, net	4,237	11,257	18,223
Foreign currency gain (loss)	502	(984)	(1,039)
Other income (expense)	(4)	(24)	700
Income before income taxes	138,991	163,945	244,035
Income tax (benefit) expense	(31,839)	54,481	71,085
Net income before cumulative effect of change in accounting principle	170,830	109,464	172,950
Cumulative effect of change in accounting principle, net of income tax of \$312	—	506	—
Net income	\$ 170,830	109,970	172,950
Earnings per share of common stock before cumulative effect of change in accounting principle:			
Basic	\$ 1.90	1.18	1.78
Diluted	\$ 1.81	1.14	1.73
Cumulative effect of change in accounting principle per share of common stock:			
Basic	\$ —	0.01	—
Diluted	\$ —	0.01	—
Earnings per share of common stock:			
Basic	\$ 1.90	1.18	1.78
Diluted	\$ 1.81	1.15	1.73
Weighted average shares of common stock outstanding:			
Basic	90,115	93,029	97,350
Diluted	94,198	95,713	99,985

See accompanying notes to consolidated financial statements.

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**NAVTEQ CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Equity and Comprehensive Income**  
**(In thousands)**

	Common stock		Additional paid-in capital	Deferred compensation expense	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
Balances as of							
December 31, 2004	87,741	\$ 88	741,448	(12,403)	(28,601)	(467,714)	232,818
Common stock issued for acquisition	545	1	19,976	—	—	—	19,977
Exercise of stock options and vesting of restricted stock units	3,800	3	55,122	—	—	—	55,125
Stock compensation expense	—	—	5,810	3,307	—	—	9,117
Comprehensive income:							

Foreign currency translation adjustment	—	—	—	—	2,613	—	2,613
Unrealized holding loss on available-for-sale marketable securities (net of taxes of \$256)	—	—	—	—	(416)	—	(416)
Net income	—	—	—	—	—	170,830	170,830
Total comprehensive income							<u>173,027</u>
Balances as of December 31, 2005	92,086	92	822,356	(9,096)	(26,404)	(296,884)	490,064
Exercise of stock options and vesting of restricted stock units	1,474	2	26,254	—	—	—	26,256
Stock compensation expense	—	—	14,501	—	—	—	14,501
Cumulative effect of change in accounting principle	—	—	(818)	—	—	—	(818)
Reversal of deferred compensation balance upon adoption of SFAS 123R	—	—	(9,096)	9,096	—	—	—
Comprehensive income:							
Foreign currency translation adjustment	—	—	—	—	8,404	—	8,404
Unrealized holding gain on available-for-sale marketable securities (net of taxes of \$623)	—	—	—	—	1,004	—	1,004
Net income	—	—	—	—	—	109,970	109,970
Total comprehensive income							<u>119,378</u>
Balances as of December 31, 2006	93,560	94	853,197	—	(16,996)	(186,914)	649,381
Exercise of stock options and vesting of restricted stock units	1,054	1	19,574	—	—	—	19,575
Common stock and stock options issued for acquisition	3,940	4	125,470	—	—	—	125,474
Stock compensation expense	—	—	20,844	—	—	—	20,844
Comprehensive income:							
Foreign currency translation adjustment	—	—	—	—	19,892	—	19,892
Unrealized holding loss on available for sale marketable securities (net of taxes of \$957)	—	—	—	—	(1,542)	—	(1,542)
Net income	—	—	—	—	—	172,950	172,950
Total comprehensive income	—	—	—	—	—	—	<u>191,300</u>
Balances as of December 31, 2007	<u>98,554</u>	<u>99</u>	<u>1,019,085</u>	<u>—</u>	<u>1,354</u>	<u>(13,964)</u>	<u>1,006,574</u>

See accompanying notes to consolidated financial statements.



**NAVTEQ CORPORATION  
AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**(In thousands)**

	Years Ended December 31,		
	2005	2006	2007
Cash flows from operating activities:			
Net income	\$ 170,830	109,970	172,950
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of change in accounting principle	–	(506)	–
Deferred income taxes	(77,737)	15,046	10,693
Depreciation and amortization	8,717	11,663	18,798
Amortization of software development costs	12,851	14,460	12,986
Amortization of acquired intangible assets	1,502	3,577	11,147
Loss on foreign currency derivatives	(660)	(234)	–
Provision for bad debts	2,303	2,548	4,312
Stock compensation expense	9,117	14,501	20,844
Tax benefit on non-qualified stock options	40,936	–	–
Noncash other	1,804	1,449	344
Changes in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable	(29,693)	(40,213)	(46,915)
Prepaid expenses and other current assets	(5,006)	(1,577)	(13,527)
Deposits and other assets	(1,483)	904	(2,376)
Accounts payable	6,057	1,612	4,111
Accrued payroll and related liabilities	2,100	3,215	11,103
Other accrued expenses	(3,687)	4,133	3,230
Accrued rebates	2,273	11,993	45,370
Deferred revenue	(2,985)	(10,442)	14,961
Other long-term liabilities	514	(2,091)	24,915
Net cash provided by operating activities	137,753	140,008	292,946
Cash flows from investing activities:			
Acquisition of property and equipment	(10,466)	(17,834)	(74,606)
Capitalized software development costs	(12,369)	(9,055)	(20,552)
Purchases of marketable securities	(198,743)	(327,470)	(500,729)
Sales of marketable securities	136,483	262,062	402,357
Purchase of investments	(1,201)	–	–
Payment for acquisitions, net of cash acquired	(8,234)	(42,216)	(90,490)
Note receivable	–	(300)	–
Net cash used in investing activities	(94,530)	(134,813)	(284,020)
Cash flows from financing activities:			
Issuance of common stock and related tax benefits	14,190	26,256	19,579
Net cash provided by financing activities	14,190	26,256	19,579
Effect of exchange rate changes on cash	(2,444)	5,814	9,017
Net increase in cash and cash equivalents	54,969	37,265	37,522
Cash and cash equivalents at beginning of year	30,101	85,070	122,335

Cash and cash equivalents at end of year	\$ 85,070	122,335	159,857
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	\$ 24	12	204
Cash paid during the year for income taxes	\$ 1,425	8,734	64,904
Non-cash transactions:			
Value of common stock and stock options issued in connection with acquisitions	\$ 19,977	–	125,474
Intangible assets acquired in non-cash exchanges	–	3,333	–

See accompanying notes to consolidated financial statements.

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## Notes to Consolidated Financial Statements

(amounts in thousands, except per share amounts)

### (1)–Description of the Business and Summary of Significant Accounting Policies

#### (a) *The Business*

NAVTEQ Corporation (“the Company”) is a leading provider of digital map data and other location-based content, including real-time traffic information, used in a wide range of navigation, mapping and geographic-related applications, including products and services that provide maps, driving directions, turn-by-turn route guidance, fleet management and tracking and geographic information systems. These products and services are provided to end users by our customers on various platforms, including: self-contained hardware and software systems installed in vehicles; personal computing devices, such as personal navigation devices (PNDs) and mobile phones; server-based systems, including internet and wireless services; and paper media. The Company’s traffic information is also provided to traditional radio and television stations, and federal, state and local governmental entities.

The Company is engaged primarily in the creation, updating, enhancing, licensing and distribution of its geographic database and related location-based content for North America and Europe. The Company’s geographic database is a digital representation of road transportation networks constructed to provide a high level of accuracy and the useful level of detail necessary to support route guidance products and similar applications. The Company’s database is licensed to leading automotive electronics manufacturers, automotive manufacturers and dealers, mobile navigation device manufacturers, developers of advanced transportation applications, developers of geographic-based information products and services, location-based service providers and other product and service providers. The Company is currently realizing revenue primarily from license fees charged to customers who incorporate the Company’s data into their products and services and from advertising revenue derived in connection with the licensing of real-time traffic information and online and media map solutions through the Company’s Traffic.com, Mapsolute and The Map Network subsidiaries.

#### (b) *Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

#### (c) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**(d) Cash Equivalents**

The Company considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

**(e) Marketable Securities**

The Company invests in marketable securities and classifies the securities as available-for-sale under Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." In accordance with SFAS 115, available-for-sale marketable securities are accounted for at market prices, with the unrealized gain or loss, less applicable deferred income taxes, shown as a separate component of stockholders' equity.

**(f) Accounts Receivable**

Accounts receivable are recorded at the invoiced amounts and do not bear interest. The allowance for doubtful accounts is recorded to provide for estimated losses resulting from uncollectible accounts, and is based principally upon specifically identified amounts where collection is deemed doubtful. Additional non-specific allowances are recorded based on historical experience and management's assessment of a variety of factors related to the general financial condition and business prospects of the Company's customer base. The Company reviews the collectibility of individual accounts and assesses the adequacy of the allowance for doubtful accounts monthly. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

**(g) Fair Value of Financial Instruments**

The carrying values of cash equivalents, cash on deposit with affiliate, receivables, payables and accrued expenses approximate their fair values due to the short maturity of these instruments.

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**(h) Property and Equipment**

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Computers and equipment and purchased software are amortized over three years. Furniture and fixtures are amortized over five years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the remaining lease terms.

**(i) Derivatives**

The Company used a derivative financial instrument to manage foreign currency exchange rate risk. The Company did not designate the derivative as a hedge as defined by SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Therefore, the changes in fair value of the derivative were recognized in the consolidated statements of operations.

**(j) Revenue Recognition**

Revenue is recognized when evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collection is probable, following the guidance in Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) 104, "Revenue Recognition." Where arrangements have multiple elements, the Company applies the guidance prescribed by Emerging Issues Task Force (EITF) Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables."

The Company derives a substantial majority of its revenue from licensing its database. Revenue is recognized net of provisions for estimated uncollectible amounts and anticipated returns. Database licensing revenue includes revenue associated with nonrefundable minimum licensing

fees, license fees from usage (including license fees in excess of nonrefundable minimum fees), prepaid licensing fees from distributors and customers and direct sales to end users. License fees from usage (including license fees in excess of nonrefundable minimum fees) are recognized in the period in which the customer reports them to the Company. Nonrefundable minimum licensing fees are recognized as revenue ratably over the period of the arrangement, until such time that cumulative license fees from usage exceeds the nonrefundable minimum licensing fee. At that time, the Company recognizes the additional licensing revenue. Prepaid licensing fees are recognized in the period in which the distributor or customer reports that they have shipped the database to the end user. Revenue for direct sales of licenses is recognized when the database is shipped to the end user. Licensing arrangements that entitle the customer to unspecified updates over a period of time are recognized as revenue ratably over the period of the arrangement.

For advertising related revenue on radio and television stations, revenue is recognized when the advertisements are aired. Revenue from Internet and wireless advertising is recognized over the period during which the advertisement is displayed or aired.

**(k) Database Creation and Distribution Costs**

Database creation and delivery costs include the costs of data collection and processing costs, direct distribution and other database-related costs. Data collection and processing costs of \$155,996, \$194,578 and \$281,904 for the years ended December 31, 2005, 2006 and 2007, respectively, consist of database creation and validation, costs to obtain information used to construct the database, ongoing costs for updating and enhancing the database content and costs related to the collection and processing of traffic data. Data collection and processing costs also include costs for the development of software as follows: (i) applications used internally to improve the effectiveness of database creation and updating activities, (ii) enhancements to internal applications that enable the Company's core database to operate with emerging technologies, and (iii) applications to facilitate usage of the Company's map database by customers. Data collection and processing costs are expensed as incurred, except costs of internal-use software, which are capitalized in accordance with American Institute of Certified Public Accountants (AICPA) Statement of Position No. 98-1 (SOP 98-1), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Accordingly, certain application development costs relating to internal-use software have been capitalized and are being amortized on a straight-line basis over the estimated useful lives of the assets, generally three to four years. The Company capitalized \$12,369, \$9,055 and \$20,552 of internal-use software development costs during the years ended December 31, 2005, 2006 and 2007, respectively. Included in database creation and updating costs is the amortization of internal-use software costs of \$12,851, \$14,460 and \$12,986 for the years ended December 31, 2005, 2006 and 2007, respectively.

Direct distribution costs of \$72,442, \$71,725, and \$79,759 for the years ended December 31, 2005, 2006 and 2007, respectively, include direct costs related to reproduction of the database for licensing, professional services, and per copy sales. Database licensing and distribution costs are expensed as incurred.

Other database creation and delivery costs of \$7,967, \$9,146 and \$34,115 for the years ended December 31, 2005, 2006 and 2007, respectively, include hardware, software and advertising inventory purchased for resale.

**(l) Income Taxes**

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

**(m) Foreign Currency Translation**

The financial statements of the Company' s foreign subsidiaries are measured using the local currency as the functional currency. Foreign assets and liabilities in the accompanying consolidated balance sheets have been translated at the rate of exchange as of the balance sheet date. Revenue and expenses are translated at the average exchange rate for the year. Translation adjustments are reported as a component of accumulated other comprehensive income (loss) in stockholders' equity. Foreign currency transaction gains and losses are included in the consolidated statements of operations.

**(n)      *Impairment of Long-lived Assets***

The Company accounts for long-lived assets in accordance with the provisions of SFAS No. 144, "Accounting for Impairment or Disposal of Long-lived Assets." In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment, capitalized software development costs and intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized equal to the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the consolidated balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated.

**(o)      *Stock-Based Compensation***

In 2005, the Company applied the intrinsic value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, including Financial Accounting Standards Board (FASB) Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB Opinion No. 25," to account for its fixed plan stock options. Under this method, compensation expense is recorded on the date of grant only if the fair value of the underlying common stock exceeds the exercise price of the option.

On January 1, 2006, the Company adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 123(R), "Share-Based Payment." SFAS No. 123(R) supersedes SFAS No. 123 and Accounting Principles Board (APB) Opinion No. 25 and requires all share-based payments to employees, including grants of employee stock options, to be recognized as an operating expense in the income statement. The cost will be recognized over the requisite service period based on fair values measured on grant dates. The Company adopted the new standard using the modified prospective transition method. Accordingly, expense required under SFAS 123(R) has been recorded beginning January 1, 2006. As allowed by SFAS No. 123, the Company has elected to continue to apply the intrinsic value-based method of accounting described above and has furnished the pro forma disclosures required by SFAS No. 123, as amended by SFAS No. 148, "Accounting for Stock Based Compensation-Transition and Disclosure." The compensation expense for stock options included in the pro forma disclosures is recognized ratably over the vesting periods of each tranche of the stock options. See Footnote 7 for the disclosures related to SFAS No. 123(R).

**(p)      *Comprehensive Income (Loss)***

Accumulated other comprehensive loss is related to the Company' s foreign currency translation adjustments and unrealized holding gains and (losses) on available-for-sale marketable securities.

**(q)      *Earnings Per Share***

Basic and diluted earnings per share is computed based on net income, divided by the weighted-average number of shares of common stock and dilutive common stock equivalents outstanding for the period, in accordance with SFAS No. 128, "Earnings Per Share."

The following table sets forth the computation of earnings per share for the years ended December 31:

	2005	2006	2007
Numerator:			
Net income before cumulative effect of change in accounting principle	\$ 170,830	109,464	172,950
Cumulative effect of change in accounting principle	—	506	—
Net income after cumulative change in accounting principle	<u>\$ 170,830</u>	<u>109,970</u>	<u>172,950</u>
Denominator:			
Denominator for basic earnings per share—weighted-average shares outstanding	90,115	93,029	97,350
Effect of dilutive securities:			
Employee stock options	3,722	2,373	2,346
Restricted stock units	<u>361</u>	<u>311</u>	<u>289</u>
Denominator for diluted earnings per share—weighted-average shares outstanding and assumed conversions	<u>94,198</u>	<u>95,713</u>	<u>99,985</u>
Earnings per share of common stock before cumulative effect of change in accounting principle:			
Basic	<u>\$ 1.90</u>	<u>1.18</u>	<u>1.78</u>
Diluted	<u>\$ 1.81</u>	<u>1.14</u>	<u>1.73</u>
Cumulative effect of change in accounting principle per share:			
Basic	<u>\$ —</u>	<u>0.01</u>	<u>—</u>
Diluted	<u>\$ —</u>	<u>0.01</u>	<u>—</u>
Earnings per share:			
Basic	<u>\$ 1.90</u>	<u>1.18</u>	<u>1.78</u>
Diluted	<u>\$ 1.81</u>	<u>1.15</u>	<u>1.73</u>

Options to purchase 36, 1,321 and 13 shares of common stock were outstanding at December 31, 2005, 2006 and 2007, respectively, but were not included in the computation of diluted earnings per share because the effect would be antidilutive.

**(r) Reclassifications**

Certain 2006 amounts have been classified to conform to the 2007 presentation. Accrued rebates have been reported as a separate line item in the consolidated balance sheets.

**(s) Recent Accounting Pronouncements**

In December 2007, the FASB issued SFAS No. 141(R), “Business Combinations.” SFAS 141R improves financial reporting by creating greater consistency in the accounting and financial reporting of business combinations, resulting in more complete, comparable, and relevant information for investors and other users of financial statements. SFAS 141R requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combinations. SFAS 141R includes both core principles and pertinent application guidance, eliminating the need for numerous Emerging Issues Task Force issues and other interpretive guidance. SFAS 141R is effective for fiscal years beginning after December 15, 2008. The Company is evaluating the effect SFAS 141R will have on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements.” SFAS 160 improves the relevance, comparability, and transparency of financial information provided to investors by requiring all entities to report noncontrolling (minority) interests in subsidiaries in the same way – as equity in the consolidated financial statements. Moreover, SFAS 160 eliminates the diversity that currently exists in accounting for transactions between an entity and noncontrolling interests by requiring they be treated as equity transactions. SFAS 160 is effective for fiscal years beginning after December 15, 2008. The Company is evaluating the effect SFAS 160 will have on its consolidated financial statements.



## (2)–Marketable Securities

At December 31, 2006 and 2007, available-for-sale marketable securities consisted of the following:

<b>2006</b>	<b>Amortized Cost</b>	<b>Unrealized Loss</b>	<b>Unrealized Gain</b>	<b>Market Value</b>
Short-term marketable securities:				
Preferred stock	\$ 17,975	–	–	17,975
U.S. Government and agency securities	29,472	(121)	–	29,351
Municipal bonds	68,900	–	–	68,900
Corporate bonds and notes	19,987	(48)	–	19,939
Certificate of deposit	999	(1)	–	998
Total short-term marketable securities	137,333	(170)	–	137,163
Long-term marketable securities:				
Corporate bonds and notes	45,890	(18)	–	45,872
Common stock	2,000	–	976	2,976
U.S. Government and agency securities	14,179	(9)	15	14,185
Total long-term marketable securities	62,069	(27)	991	63,033
	<u>\$ 199,402</u>	<u>(197)</u>	<u>991</u>	<u>200,196</u>

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<b>2007</b>	<b>Amortized Cost</b>	<b>Unrealized Loss</b>	<b>Unrealized Gain</b>	<b>Market Value</b>
Short-term marketable securities:				
Corporate bonds and notes	\$ 136,022	(1,159)	62	134,925
U.S. Government and agency securities	7,727	–	21	7,748
Municipal bonds	54,875	–	–	54,875
Mortgage bonds	29,096	(518)	–	28,578
Total short-term marketable securities	227,720	(1,677)	83	226,126
Long-term marketable securities:				
Corporate bonds and notes	69,633	(78)	268	69,823
Municipal bonds	2,000	–	12	2,012
U.S. Government and agency securities	4,999	–	21	5,020
Total long-term marketable securities	76,632	(78)	301	76,855
	<u>\$ 304,352</u>	<u>(1,755)</u>	<u>384</u>	<u>302,981</u>

The Company's marketable securities consist of marketable securities of high credit quality and have contractual maturities of up to eighty-eight years.

Other-than-temporary impairments are recognized if the market value of the investment is below its cost basis for an extended period of time or the issuer has experienced significant financial declines or difficulties in raising capital to continue operations. There were no other-than-temporary impairments for the years ended December 31, 2006 and 2007. As of December 31, 2006 and 2007, \$26 and \$1,720 of the

unrealized loss was related to marketable securities that had a loss for less than twelve months. The remaining \$171 and \$35 of the unrealized loss as of December 31, 2006 and 2007, respectively, was related to marketable securities that had a loss for greater than twelve months.

As of December 31, 2007, the Company held auction-rate securities totaling \$54,875 which were reported as short-term marketable securities. The auction-rate securities represent interests in securities that have student loans as collateral that are guaranteed by the U.S. Department of Education under the Higher Education Act. Liquidity for these securities is provided by an auction process that resets the applicable interest rate at pre-determined intervals, usually 28 days. In the past, the auction process has allowed investors to roll over their holdings or obtain immediate liquidity by the selling the securities at par. During February 2008, the auctions for these securities failed to produce a sufficient number of bidders. The value of the underlying marketable securities was not permanently impaired as of December 31, 2007. However, the Company cannot be assured that these securities have the same liquidity. The Company will not be able to liquidate any of its remaining auction-rate securities until a future auction is successful, or until the Company is able to sell the securities in a secondary market. Therefore, in future periods, classification of the Company's auction-rate securities will be reassessed. The entire balance of auction-rate securities at December 31, 2007 has maturities greater than one year.

### **(3)–Property and Equipment**

The components of the Company's property and equipment as of December 31, 2006 and 2007 are as follows:

	<u>2006</u>	<u>2007</u>
Computers and equipment	\$ 38,711	91,737
Furniture and fixtures	5,019	9,249
Purchased software	17,668	14,085
Leasehold improvements	<u>7,147</u>	<u>36,240</u>
	68,545	151,311
Less accumulated depreciation and amortization	<u>(41,083)</u>	<u>(39,624)</u>
	<u>\$ 27,462</u>	<u>111,687</u>

### **(4)–Deferred Revenue**

During the first quarter of 2004, the Company entered into a five-year license agreement to provide map database information to a customer. Under the license agreement, the customer paid \$30,000 during the second quarter of 2004 related to license fees for the first three years of the agreement. The customer was entitled to use up to \$10,000 of the credits in each of 2004, 2005 and 2006. These credits had been completely used by the customer as of December 31, 2006. In addition, the customer paid \$20,000 in the first quarter of 2007 related to the license agreement and the customer is entitled to use up to \$10,000 of the credits in each of 2007 and 2008. As of December 31, 2007, the customer had used \$10,000 of the credits.

### **(5)–Line of Credit**

On November 30, 2007, the Company extended through its operating subsidiary for North America, its revolving line of credit that was scheduled to mature on December 1, 2007. Pursuant to the terms of the line of credit, the Company may borrow up to \$50,000 at an interest rate of either U.S. LIBOR plus 0.5% or the greater of the prime rate or the Federal funds rate plus 0.5%. The Company is required to pay to the bank a quarterly facility fee of 7.5 basis points per annum on the average daily unused commitment. The Company has guaranteed its operating subsidiary's obligations under this facility. As of December 31, 2007, there were no outstanding borrowings against this line of credit. This line of credit expires on December 1, 2008.

### **(6)–Income Taxes**

The domestic and foreign components of pretax income for the years ended December 31, 2005, 2006 and 2007 are as follows:

	2005	2006	2007
Domestic	\$ 32,939	35,607	68,370
Foreign	106,052	128,338	175,665
Income before income taxes	<u>\$ 138,991</u>	<u>163,945</u>	<u>244,035</u>

The current and deferred components of income tax expense (benefit) for the years ended December 31, 2005, 2006, and 2007 are as follows:

	2005	2006	2007
Current:			
Federal	\$ –	(20)	1,310
State	21	–	–
Foreign	1,871	24,394	50,823
Total current	<u>1,892</u>	<u>24,374</u>	<u>52,133</u>
Deferred:			
Federal	(63,699)	13,392	18,796
State	(6,455)	1,950	809
Foreign	36,423	14,765	(653)
Total deferred	<u>(33,731)</u>	<u>30,107</u>	<u>18,952</u>
Income tax expense (benefit)	<u>\$ (31,839)</u>	<u>54,481</u>	<u>71,085</u>

Total income tax expense (benefit) differed from the amount computed by applying the U.S. Federal statutory tax rate of 35% to income before income taxes for the years ended December 31, 2005, 2006 and 2007, respectively, due to the following:

	2005	2006	2007
Tax expense at U.S. Federal statutory rate	\$ 48,647	57,386	85,412
State tax expense, net of Federal tax effect	1,053	1,267	1,388
Deferred compensation	3,347	988	658
Impact of foreign rates	(4,362)	(5,956)	(16,317)
Impact of adjustments to deferred taxes due to changes in statutory tax rates	720	(390)	(99)
Increase (decrease) in valuation allowance	(83,290)	206	836
Other	2,046	980	(793)
Income tax expense (benefit)	<u>\$ (31,839)</u>	<u>54,481</u>	<u>71,085</u>

Deferred tax assets and liabilities as of December 31, 2006 and 2007 are summarized as follows:

	2006	2007
Deferred tax assets:		
Current:		
Net operating loss carryforwards	\$ 54	10,719
Deferred revenue	6,165	12,079
Interest not currently deductible	54	10,719
Other deductible temporary differences	<u>3,405</u>	<u>6,826</u>
Total current deferred tax assets	<u>9,678</u>	<u>40,343</u>
Non-current:		
Research and development credit carryforwards	6,373	4,502

Interest not currently deductible	78,584	60,495
Net operating loss carryforwards	107,670	122,411
Stock compensation	4,676	8,386
Deferred lease liability	–	8,822
Deferred revenue	815	21,426
Other deductible temporary differences	1,940	3,936
Total non-current deferred tax assets	200,058	229,978
Gross deferred tax assets	209,736	270,321
Less valuation allowance	(2,439)	(3,190)
Net deferred tax assets	207,297	267,131

Deferred tax liabilities:

Current:

Other deductible temporary differences	(351)	(132)
Total current deferred tax liabilities	(351)	(132)

Non-current:

Acquired intangible assets	(7,675)	(24,516)
Capitalized software development costs, net	(2,648)	(3,252)
Other deductible temporary differences	–	(739)
Total non-current deferred tax liabilities	(10,323)	(28,507)
Gross deferred tax liabilities	(10,674)	(28,639)
Deferred income taxes	\$ 196,623	238,492

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

During the third quarter of 2005, the Company made the determination that it was more likely than not that it would be able to realize the benefits of the deferred tax assets related to net operating loss carryforwards and deferred interest credits in the United States. In reaching the determination, the Company considered both positive and negative evidence. Positive evidence included the Company's strong recent revenue growth and operating performance, expectations regarding the generation of future taxable income, the length of available carryforward periods, the Company's market position and the expected growth of the market. Negative evidence included the Company's history of operating losses through 2001 and the likelihood of increased competition and loss of a significant customer. From that analysis, the Company determined that sufficient evidence existed to conclude that it was more likely than not that the benefits of certain of the deferred tax assets will be realized. Accordingly, the Company reversed the related valuation allowance and recorded an income tax benefit of \$83,270.

During 2007, the deferred tax asset valuation allowance increased \$751 consisting of an increase of \$2,975 for U.S. state, Korean and Mexican net operating losses, offset by a decrease of \$2,224 for U.S. Federal and state credit carryforwards and Canadian net operating losses. As of December 31, 2007, the Company had a valuation allowance for deferred tax assets of \$3,190 related to U.S. state, Korean, and Mexican net operating loss carryforwards and U.S. Federal research and experimental tax credits.

As of December 31, 2007, the Company had net operating loss carryforwards for U.S. Federal and state income tax purposes of approximately \$374,309 and \$224,484, respectively. The Company also has available tax credit carryforwards of approximately \$4,217 and \$1,930 for U.S. Federal and state tax purposes, respectively.

If not utilized, U.S. Federal and state net operating loss carryforwards expire through 2027 and U.S. Federal tax credit carryforwards expire through 2022, as follows:

<b>Year of expiration</b>	<b>Federal net operating loss carryforwards</b>	<b>State net operating loss carryforwards</b>	<b>Federal tax credit carryforwards</b>
2008	\$ —	—	114
2009	—	7	28
2010	—	866	102
2011	12,268	298	186
2012	29,142	2,592	459
Thereafter through 2027	332,899	220,721	3,328
	<u>\$ 374,309</u>	<u>224,484</u>	<u>4,217</u>

As of December 31, 2007, the Company had U.S. interest expense carryforwards for both U.S. Federal and state income tax purposes of approximately \$185,333. There is no expiration date for U.S. state tax credit carryforwards and U.S. Federal interest expense carryforwards.

In accordance with APB Opinion No. 23, “Accounting for Income Taxes – Special Areas,” and SFAS No. 109, the Company has not provided for U.S. or foreign income taxes related to approximately \$221,044 of undistributed earnings from its foreign operations at December 31, 2007, as the Company considers these earnings to be permanently reinvested. Determination of the additional income taxes and applicable withholding that would be payable on the remittance of such undistributed earnings is not practicable because such liability, if any, is dependent upon circumstances existing if and when the Company no longer considers all or a portion of such undistributed earnings to be permanently reinvested.

In June 2006, the FASB issued Interpretation No. 48, “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109” (“FIN 48”). This interpretation addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty-percent likelihood of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods, and requires increased disclosures. The Company adopted the provisions of FIN 48 on January 1, 2007. The Company did not record any cumulative effect adjustments to accumulated deficit as a result of adopting FIN 48.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance at January 1, 2007	\$ 6,342
Additions for Tax Positions of Current Period	3,530
Additions for Tax Positions of Prior Years	15
Balance at December 31, 2007	<u>\$ 9,887</u>

The amount of unrecognized tax benefits at December 31, 2007 and January 1, 2007 of \$8,366 and \$6,342, respectively, if recognized, would affect the Company’s effective tax rate. Interest and penalties, if any, related to unrecognized tax benefits are recorded in income tax expense. As of December 31, 2007 and January 1, 2007, interest of \$27 and \$0, respectively, have been accrued related to unrecognized tax benefits. No penalties have been accrued related to unrecognized tax benefits. The Company does not anticipate the total amount of unrecognized tax benefits will materially change by December 31, 2008.

The Company files income tax returns in the U.S. Federal jurisdiction, and various U.S. states and foreign jurisdictions. The Company is no longer subject to income tax examinations by tax authorities from the following major tax jurisdictions for the years prior to: (i) 1994 with

respect to the U.S. Federal jurisdiction; (ii) with few exceptions, 1996 for various U.S. state jurisdictions; and (iii) 2005 with respect to the Netherlands.

## **(7)–Share-Based Payments**

On January 1, 2006, the Company adopted SFAS No. 123(R). SFAS No. 123(R) supersedes SFAS No. 123 and Accounting Principles Board (APB) Opinion No. 25 and requires all share-based payments to employees, including grants of employee stock options, to be recognized as an operating expense in the income statement. The cost will be recognized over the requisite service period based on fair values measured on grant dates. The Company adopted the new standard using the modified prospective transition method. Accordingly, expense required under SFAS No. 123(R) has been recorded beginning January 1, 2006. In connection with the adoption of SFAS No. 123(R), the Company recorded a cumulative effect of a change in accounting principle resulting in income of \$506 (net

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of income tax expense of \$312). The Company also eliminated the December 31, 2005 balance of deferred compensation of \$9,096 by reducing additional paid-in capital.

The Company recognized compensation cost totaling \$9,117, \$14,501, and \$20,844 related to its share-based payment arrangements for the years ended December 31, 2005, 2006 and 2007, respectively, in the consolidated statements of operations. The total income tax benefit recognized in the consolidated statements of operations was \$1,498, \$3,996, and \$6,668 for the years ended December 31, 2005, 2006 and 2007, respectively.

The total income tax benefit recognized in additional paid in capital for the years ended December 31, 2006 and December 31, 2007 for share-based payment arrangements was \$23,902 and \$9,180, respectively. The Company has elected to use tax law ordering rules when calculating the income tax benefit associated with its share-based payment arrangements. In addition, the Company elected to use the simplified method of calculating the pool of excess tax benefits available to absorb tax deficiencies recognized subsequent to the adoption of SFAS No. 123(R) as prescribed by FASB Staff Position 123(R)-3, “Transition Election related to Accounting for the Tax Effects of Share-Based Payment Awards.” The Company records the realized income tax benefits related to fully vested share based payments as financing activities on the statement of cash flows. The total compensation cost related to nonvested awards not yet recognized as of December 31, 2007 was \$56,542 and will be recognized over a weighted-average period of 1.41 years.

In April 1996, the Company’s Board of Directors approved the 1996 Stock Option Plan (1996 Plan). The 1996 Plan was amended and restated by the Company’s Board of Directors in June 1996, and amended in August 2000. The 1996 Plan, as amended, provides for grants of incentive stock options, nonstatutory stock options, and stock purchase rights to employees (including employees who are officers) of the Company and its subsidiaries; provided, however, that no employee may be granted an option for more than 1,429 shares in any one fiscal year. The 1996 Plan also provides for grants of nonstatutory stock options and stock purchase rights to consultants. Stock options granted under the 1996 Plan prior to August 2000 generally have 10-year terms and vest monthly over 48 months. Stock options granted under the 1996 Plan after the amendment in August 2000 generally have 10-year terms and vest as follows: 25% of the options granted vest on the first day of the month following the employee’s date of hire and the remaining options vest monthly in equal installments over the next 36 months.

In October 1998, the Company’s Board of Directors approved the 1998 California Stock Option Plan (1998 Plan). The 1998 Plan was amended in August 2000. The 1998 Plan provides for grants of incentive stock options, nonstatutory stock options, and stock purchase rights to employees (including employees who are officers) of the Company and its subsidiaries. The 1998 Plan also provides for grants of nonstatutory stock options and stock purchase rights to consultants. Stock options granted under the 1998 Plan prior to August 2000 generally have 10-year terms and vest monthly over 48 months. Stock options granted under the 1998 Plan after the August 2000 amendment generally have 10-year terms and vest as follows: 25% of the options granted vest on the first day of the month following the anniversary of the date of grant or the employee’s date of hire and the remaining options vest monthly in equal installments over the next 36 months.

In August 2001, the Company’s Board of Directors approved the 2001 Stock Incentive Plan (2001 Plan). The 2001 Plan provides for grants of incentive stock options, nonstatutory stock options, and stock purchase rights to employees (including employees who are officers) of the



Company and its subsidiaries. The 2001 Plan also provides for grants of nonstatutory stock options and stock purchase rights to consultants. Stock options granted under the 2001 Plan prior to May 9, 2006 generally had 10-year terms and vest as follows: 25% of the options granted vest on the anniversary of the date of grant and the remaining options vest monthly in equal installments over the next 36 months.

In February 2006, the Company's Board of Directors approved the Amended and Restated 2001 Stock Incentive Plan (2001 Amended Plan) (i) to permit compensation payable to the Company's named executive officers under the 2001 Amended Plan to constitute "qualified performance-based compensation" and to therefore be deductible to the Company without regard to the limitations imposed by Section 162(m) of the Internal Revenue Code, (ii) to limit the number of shares of the Company's common stock that may be issued under the 2001 Amended Plan in respect of restricted stock, restricted stock units or other similar "full value" awards, (iii) to eliminate the automatic termination of the 2001 Amended Plan in 2011, (iv) to limit the terms of stock options and stock appreciation rights granted under the 2001 Amended Plan to eight years, (v) to prohibit the Company from "repricing" (without stockholder approval) stock options or stock appreciation rights granted under the 2001 Amended Plan, (vi) to prohibit the grant of stock options or stock appreciation rights with an exercise price less than the per share fair market value of our common stock on the date of grant, and (vii) to clarify certain existing provisions of the 2001 Plan. The Company's stockholders approved the 2001 Amended Plan in May 2006. Stock options granted under the 2001 Amended Plan generally have 8-year terms and vest as follows: 25% of the options granted vest on the anniversary of the date of grant and the remaining options vest monthly over the next 36 months. The Company has reserved 10,931 shares of common stock for issuance under the 2001 Amended Plan. All options issued under the 2001 Amended Plan are adjusted pro rata for any stock dividends, stock splits and reverse stock splits.

As of December 31, 2007, there were 7,011 shares available for grant under the 2001 Amended Plan, and there were no shares available for grant under the 1996 or 1998 Plans. The Company has reserved 7,360 and 3,571 shares of common stock for issuance under the 1996 and 1998 Plans, respectively. All options issued under the 1996 and 1998 Plans are adjusted pro rata for any stock dividends, stock splits and reverse stock splits.

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### Stock Options

For grants made prior to the adoption of SFAS No. 123(R), compensation expense is recognized ratably over the vesting periods of each tranche of the stock options using a fair value calculated as of the date of grant based on the Black-Scholes method with the following weighted-average assumptions for the year ended December 31, 2005: no dividends, 60% volatility, risk-free interest rate of 3.89%, and expected life of 4.9 years. The weighted-average fair value for grants made during the year ended December 31, 2005 was \$23.15 per share.

For grants made subsequent to the adoption of SFAS No. 123(R), compensation expense is recognized on a straight-line basis over the vesting period of the full award using a fair value calculated based on a binomial model. The binomial model utilizes expected volatility, risk-free interest rate, dividend yields, as well as early exercise multiples and post-vesting exit rates to determine an expected life of the option. The weighted-average assumptions for the year ended December 31, 2006 were as follows: no dividends, 45.0% expected volatility, risk-free interest rate of 4.74%, and an expected life of 5.3 years. The weighted-average assumptions for the year ended December 31, 2007 were as follows: no dividends, 38.3% expected volatility, risk-free interest rate of 4.55%, and an expected life of 5.3 years. The expected volatility was estimated by using the implied volatility derived from the Company's publicly traded stock options. The weighted-average fair value for grants made during the years ended December 31, 2006 and 2007 were \$20.47 per share and \$13.98 per share, respectively.

Stock option activity during the year ended December 31, 2007 is as follows:

	Number of options	Weighted- average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value
Outstanding as of December 31, 2006	4,731	\$ 15.35		
Granted	1,851	32.47		
Exercised	(882)	15.41		

Forfeited	(115)	37.53		
Outstanding as of December 31, 2007	5,585	\$ 20.56	6.01	\$ 307,443
Exercisable as of December 31, 2007	3,226	\$ 9.66	5.07	\$ 212,737

The total intrinsic value of all options exercised during the years ended December 31, 2005, 2006 and 2007 were \$142,965, \$51,934 and \$34,262, respectively.

A total of 107 options were granted related to the Traffic.com acquisition in 2007, which related to transferring Traffic.com stock options into NAVTEQ stock options.

#### *Restricted Stock Units*

The Company also grants restricted stock units (RSUs) to certain directors and employees under the Company's 2001 Amended Plan. The RSUs are securities that require the Company to deliver one share of common stock to the holder for each vested unit. The RSUs vest 25% per year over a four-year period. For grants made prior to the adoption of SFAS No. 123(R), compensation expense is recognized ratably over the vesting periods of each tranche of the restricted stock units using a fair value equal to the fair market value of the Company's common stock on the date of grant. For grants made subsequent to the adoption of SFAS No. 123(R), compensation expense is recognized on a straight-line basis over the vesting period of the full award using a fair value equal to the fair market value of the Company's common stock on the date of grant. The weighted-average fair value of grants made during 2005, 2006 and 2007 were \$42.77, \$44.00 and \$33.77, respectively.

In addition, the Company also granted performance-based RSUs to certain employees for the year ended December 31, 2007. The number of these RSUs that will be earned is dependent upon meeting revenue and net income goals for fiscal year 2007. The fair value of each RSU is based on the fair market value of the Company's stock on the date of grant. The total expense is determined each period during 2007 based on the expected number of RSUs that will be earned, which is 651 as of December 31, 2007. Restricted stock unit activity during the year ended December 31, 2007 is as follows:

	Number of units	Weighted-average grant date fair value
Outstanding as of December 31, 2006	655	\$ 31.28
Granted	864	33.20
Vested	(264)	28.33
Forfeited	(32)	36.79
Outstanding as of December 31, 2007	1,223	\$ 33.13

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The total fair value of all restricted stock units that vested during the years ended December 31, 2005, 2006 and 2007 were \$7,099, \$9,507 and \$9,671, respectively.

#### *Pre-Adoption Pro Forma Information*

Prior to adopting SFAS No. 123(R), the Company applied the intrinsic value-based method of accounting prescribed by APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, including FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an interpretation of APB Opinion No. 25," to account for its fixed plan stock-based awards to employees.

The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied for the year ended December 31, 2005:

Information as Reported:

Stock-based employee compensation expense included in net income, net of tax	\$	5,911
Net income	\$	170,830
Basic earnings per share	\$	1.90
Diluted earnings per share	\$	1.81

Information calculated as if fair value method had applied to all awards:

Stock-based employee compensation expense determined under fair value method, net of tax	\$	11,468
Pro forma net income	\$	165,273
Pro forma basic earnings per share	\$	1.83
Pro forma diluted earnings per share	\$	1.75

**(8)–Foreign Currency Derivatives**

On April 22, 2003, the Company entered into a U.S. dollar/euro currency swap agreement (the “Swap”) with Philips N.V. to minimize the exchange rate exposure between the U.S. dollar and the euro on the expected repayment of an intercompany obligation. The Swap was subsequently assigned to an unaffiliated third party in the third quarter of 2004. Under the terms of the Swap, the Company’s European subsidiary made payments to the other party to the Swap in euros in exchange for the U.S. dollar equivalent at a fixed exchange rate of \$1.0947 U.S. dollar/euro. The U.S. dollar proceeds obtained under the Swap were utilized to make payments of principal on the intercompany loan. The outstanding principal balance under the intercompany loan was \$187,136 at April 22, 2003. The Swap had a maturity date of December 22, 2006 and provided for settlement on a monthly basis in proportion to the repayment of the intercompany obligation; however, the Swap was settled in the second quarter of 2006. As of December 31, 2007, the outstanding intercompany obligation was \$0 and the fair value of the Swap was a liability of \$0.

The intercompany loan incurred interest at one-month U.S. LIBOR. The Swap also provided that the European subsidiary of the Company was required to pay interest due in euros on a monthly basis to the other party to the Swap in exchange for U.S. dollars at the one-month U.S. LIBOR rate.

The Swap was not designated for hedge accounting and therefore changes in the fair value of the Swap were recognized in current period earnings. Gains on the fair value of the Swap of \$3,508 were recorded for the year ended December 31, 2006. The Company recorded a gain of \$2,128 as a result of the remeasurement of the outstanding intercompany obligation for the year ended December 31, 2006. The Company recorded foreign currency transaction losses of \$5,656 during the year ended December 31, 2006 resulting from foreign currency exchange differences arising on the repayments of the intercompany obligation.

**(9)–Employee Benefit Plans**

The Company sponsors a Savings and Investment Plan (the “Plan”) that qualifies as a thrift plan under Section 401(k) of the Internal Revenue Code. All of the Company’s U.S. employees who have completed three months of service are eligible to participate in the Plan. The Plan allows participants to contribute up to 20% of eligible compensation, subject to the maximum amount allowable under Internal Revenue Service regulations. The Plan permits, but does not require, additional matching contributions by the Company. In addition, the Company has sponsored savings and investment plans in its European subsidiaries. The Company contributed \$2,688, \$3,909 and \$5,351 to these defined contribution employee benefit plans for the years ended December 31, 2005, 2006 and 2007, respectively.

**(10)–Enterprise-wide Disclosures**

The Company operates in one business segment and therefore does not report operating income, identifiable assets and/or other resources related to business segments. Revenues for geographic data of Europe, North America and Korea are attributed to Europe,

Middle East, and Africa (“EMEA”), Americas and Asia Pacific. Revenues for geographic data for Central and South America are attributed to Americas. Revenues for geographic data for countries outside of Europe, the Americas and Korea are attributed to EMEA, and are not material.

The following summarizes net revenue on a geographic basis for the years ended December 31, 2005, 2006 and 2007 (in thousands):

	Years Ended December 31,		
	2005	2006	2007
Net revenue:			
EMEA	\$ 316,208	360,056	472,523
Americas	172,789	216,150	373,303
Asia Pacific	7,515	5,413	7,561
Total net revenue	<u>\$ 496,512</u>	<u>581,619</u>	<u>853,387</u>

The following summarizes long-lived assets on a geographic basis as of December 31, 2006 and 2007 (in thousands):

	December 31,	
	2006	2007
Property and equipment, net:		
EMEA	\$ 7,077	10,220
Americas	19,810	100,834
Asia Pacific	575	633
Total property and equipment, net	<u>\$ 27,462</u>	<u>111,687</u>
Capitalized software development costs, net:		
EMEA	\$ 1,454	9,255
Americas	17,390	17,829
Asia Pacific	—	—
Total capitalized software development costs, net	<u>\$ 18,844</u>	<u>27,084</u>

## (11)–Concentrations of Risk

For the year ended December 31, 2007, one customer accounted for 15% of total revenue. For the year ended December 31, 2006, one customer accounted for 12% of total revenue. For the year ended December 31, 2005, one customer accounted for 13% of total revenue. The customer that accounted for more than 10% of revenue in 2005 and 2006 was a different customer from the one that accounted for more than 10% of revenue in 2007. No other customer accounted for 10% or more of total revenue for the years ended December 31, 2005, 2006 and 2007.

## (12)–Lease Obligations

The Company leases its facilities, automobiles, and certain equipment under operating leases expiring through 2022. Monthly payments under certain facility leases are subject to fixed increases. For accounting purposes, rent expense is based on a straight-line amortization of the total payments required over the lease term. The leases require the Company to pay property taxes, insurance, maintenance, and repair costs.

The Company’s aggregate future minimum lease obligations as of December 31, 2007 are as follows:

Year ending December 31:	
2008	\$ 23,081
2009	20,742

2010	17,392
2011	11,820
2012	9,290
Thereafter	83,917
	<u>\$ 166,242</u>

Total rent expense under operating leases for facilities and equipment was \$11,449, \$13,589 and \$18,393 for the years ended December 31, 2005, 2006 and 2007, respectively.

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### (13)–Business Combinations

On March 6, 2007, the Company completed its previously announced acquisition of Traffic.com, Inc., a Delaware corporation (“Traffic.com”), pursuant to an Agreement and Plan of Merger (the “Traffic.com Merger Agreement”) dated November 5, 2006 by and among the Company, Traffic.com, NAVTEQ Holdings B.V., a corporation organized under the laws of the Netherlands, and NAVTEQ Holdings Delaware, Inc., a Delaware corporation (“Merger Subsidiary”), under which Traffic.com was merged with and into Merger Subsidiary (the “Traffic.com Merger”). Merger Subsidiary continued as the surviving corporation under the name Traffic.com, Inc. Under the Traffic.com Merger Agreement, each share outstanding of Traffic.com common stock was converted into the right to receive, at the election of the holder thereof (subject to certain conditions, including those pertaining to pro-ration): (i) \$8.00 in cash, without interest or (ii) 0.235 shares of the Company’s common stock, par value \$0.001 per share. The election of cash or stock was subject to a limit on total cash consideration of approximately \$49,000 (minus the cash value of dissenting shares, if any) and a total stock consideration equal to approximately 4,300 shares of the Company’s common stock (less the shares of the Company’s common stock issued to holders of warrants to purchase Traffic.com stock that were exchanged for NAVTEQ common stock based on the per share stock consideration).

This acquisition was made to diversify the Company’s product portfolio and customer base and to expand the data content the Company is able to provide. The total purchase price for Traffic.com was \$186,720, which included the cost basis of previously owned shares of Traffic.com of \$1,998. Additionally, at the time of the acquisition, Traffic.com had a liability related to deferred license fees to the Company of approximately \$9,015. To complete the acquisition, the Company issued 3,940 shares, including 57 shares related to a sale bonus paid to the former Chief Executive Officer of Traffic.com. These shares were valued at \$124,712, which was based on the average stock price of the Company’s common stock for a period beginning two days before the announcement of the merger and ending two days after the announcement of the merger. The Company also paid \$49,008 in cash and assumed options and warrants that were converted into the right to purchase 139 shares of NAVTEQ stock, which were valued at \$763. In addition, the Company paid \$10,239 in direct costs to acquire the shares of Traffic.com, including \$2,125 to the former Chief Executive Officer of Traffic.com for a sale bonus and severance. As part of the preliminary purchase price allocation, the Company recorded \$267,901 in assets and \$81,181 in liabilities. The operating results of Traffic.com are included in the Company’s results beginning from the acquisition date of March 6, 2007. Included in the total assets are the following intangible assets.

Intangible Asset	Value	Estimated useful life
Customer relationships	\$ 22,568	10 years
Tradename	11,011	8 years
Software	7,926	3 years

The acquired intangible assets are being amortized on a straight-line basis over their estimated useful lives. In addition, the Company has recorded \$102,194 in goodwill. The goodwill is not tax-deductible.

The condensed balance sheet of Traffic.com at the date of the acquisition is as follows:

#### Assets

Current assets:

Cash and cash equivalents	\$ 11,659
Accounts receivable, net	15,172

Other current assets	231
Total current assets	27,062
Property and equipment, net	26,725
Acquired intangible assets	41,505
Goodwill	102,194
Long-term deferred tax assets, net	52,177
Other assets	661
Total assets	<u>\$ 250,324</u>
<b>Liabilities and Stockholders' Equity</b>	
Total current liabilities	\$ 15,385
Long-term deferred revenue	39,995
Other long-term liabilities	10,223
Total liabilities	65,603
Total stockholders' equity	184,721
Total liabilities and stockholders' equity	<u>\$ 250,324</u>

On November 6, 2007, NAVTEQ German Holdings B.V., a private company with limited liability organized under the laws of The Netherlands ("NAVTEQ Germany"), Mapsolute GmbH, a limited liability company organized under the laws of Germany ("Mapsolute") and each of the stockholders of Mapsolute entered into a Stock Purchase Agreement pursuant to which NAVTEQ Germany acquired all of the outstanding capital stock of Mapsolute for a total purchase price of approximately \$42,000, subject to certain potential purchase price adjustments. Mapsolute is one of the leading suppliers of geographic software for interactive mapping applications. Mapsolute's unique technology provides a foundation for serving accurate and up-to-date digital map data on a variety of platforms, including internet, enterprise applications, desktops, and mobile devices. As a result, Mapsolute's flexible product suite is used in various vertical markets, such as fleet tracking, telematics, logistics, geo-marketing, CRM software, and Internet portals. Mapsolute also operates Map24.com, which is one of Germany's most visited consumer mapping portals.

The purchase price of Mapsolute was \$42,347. In addition to the aforementioned consideration, the Company paid \$572 in direct costs to purchase Mapsolute to bring the total purchase price to \$42,919. As part of the preliminary purchase price allocation, the Company recorded \$48,428 in assets and \$5,509 in liabilities. The results of Mapsolute are included in the Company's Statement of Operations starting on November 6, 2007, and was made to increase the Company's technical capabilities. Included in the total assets were the following intangible assets:

Intangible Asset	Value	Estimated useful life
Software	\$ 6,913	5 years
Customer relationships	4,638	10 years
Tradenname	1,383	10 years
Contract asset	352	5 years

The acquired intangible assets are being amortized on a straight-line basis over their estimated useful lives. In addition, the Company

has recorded \$28,081 in goodwill. The goodwill is not tax-deductible.

On December 15, 2006, the Company acquired The Map Network ("TMN"), through its wholly owned subsidiary, NAVTEQ Holdings B.V., to increase its portfolio of localized map content and ability to efficiently map destinations and events. TMN produces detailed, accurate maps,



in both print and online form, for a number of leading convention centers, stadiums, and hotels. Map content includes detailed building layouts (interior and exterior), robust event listings and locally relevant community and business points of interest and information.

Pursuant to the merger agreement, each TMN stockholder and holder of TMN convertible securities received his, her or its allocable portion of the total consideration, subject to certain purchase price adjustments. In addition, to secure the indemnification obligations, including any purchase price adjustments, \$7,500 of the merger consideration was deposited in escrow; any amount remaining in escrow at the end of 24 months will be released to the participating stockholders to the extent not subject to pending indemnification claims by the Company and its related parties.

The purchase price for TMN was \$36,854. In addition to the aforementioned consideration, the Company paid \$416 in direct costs to purchase TMN to bring the total purchase price to \$37,270. As part of the purchase price allocation, the Company recorded \$41,926 in assets and \$4,656 in liabilities. In 2007, purchase price allocation adjustments were made to increase direct costs by \$108, net assets by \$222 and net liabilities by \$114. Included in the total assets were the following intangible assets:

<b>Intangible Asset</b>	<b>Value</b>	<b>Estimated useful life</b>
Database	\$ 672	10 years
Advertising relationships	2,863	7 years
Customer relationships	2,412	10 years
Customer backlog	166	1 year
Software	1,011	5 years

The acquired intangible assets are being amortized on a straight-line basis over their estimated useful lives. In addition, the Company recorded \$27,726 in goodwill as of the acquisition date, which includes the purchase price allocation adjustments made in 2007. The largest of the purchase price allocation adjustments in 2007 related to a decrease in goodwill of \$2,865 with the corresponding increase to deferred tax assets. The goodwill is not tax-deductible.

In January 2006, the Company acquired a digital map business from gedas Mexico, S.A. de C.V. for \$5,044, including the direct costs of the acquisition. In connection with the acquisition, the Company recorded purchase price allocation adjustments of \$267 during 2006. Included in the total assets of this business were the following intangible assets:

<b>Intangible Asset</b>	<b>Value</b>	<b>Estimated useful life</b>
Database	\$ 1,751	10 years
Software	86	3 years
Customer relationships	74	5 years

The acquired intangible assets are being amortized on a straight-line basis over their estimated useful lives. In addition, the Company has recorded \$2,407 in goodwill.

The following unaudited pro forma financial information presents the combined results of operations of NAVTEQ and Traffic.com as if the acquisition had occurred as of January 1, 2006. The unaudited pro forma financial information is not necessarily indicative of what consolidated results of operations actually would have been had the acquisition been completed at the date indicated. In addition, the unaudited pro forma financial information does not purport to project the future results of operations of the combined company. Pro forma financial information related to the other acquisitions in this note has not been included as such acquisitions do not require Pro forma disclosure.

	December 31, 2006	December 31, 2007
Revenue	\$ 634,079	861,791
Net income before cumulative effect of change in accounting principle	91,171	167,253
Net income	<u>\$ 91,677</u>	<u>167,253</u>
Earnings per share of common stock before cumulative effect of change in accounting principle:		
Basic	\$ 0.94	1.71
Diluted	<u>\$ 0.91</u>	<u>1.66</u>
Cumulative effect of change in accounting principle per share:		
Basic	\$ 0.01	–
Diluted	<u>\$ 0.01</u>	<u>–</u>
Net income per share of common stock:		
Basic	\$ 0.95	1.71
Diluted	<u>\$ 0.92</u>	<u>1.66</u>

#### (14)–Intangible Assets

The gross carrying amount and accumulated amortization of intangible assets subject to amortization as of December 31, 2006 are:

	Gross assets	Accumulated amortization	Net assets
Databases	\$ 11,514	(1,573 )	9,941
Customer relationships	10,214	(1,400 )	8,814
Software	5,643	(2,310 )	3,333
Service contract	1,969	(33 )	1,936
Customer backlog	166	(7 )	159
Advertising relationships	2,863	(11 )	2,852
Total	<u>\$ 32,369</u>	<u>(5,334 )</u>	<u>27,035</u>

The gross carrying amount and accumulated amortization of intangible assets subject to amortization as of December 31, 2007 are:

	Gross assets	Accumulated amortization	Net assets
Databases	\$ 11,366	(2,693 )	8,673
Customer relationships	37,459	(4,987 )	32,472
Software	21,161	(6,509 )	14,652
Service contracts	2,321	(450 )	1,871
Tradename	12,394	(1,152 )	11,242
Advertising relationships	2,863	(420 )	2,443
Total	<u>\$ 87,564</u>	<u>(16,211 )</u>	<u>71,353</u>

During 2006, the Company recorded an asset of \$1,969 related to a service contract in an exchange transaction. Additionally, in 2006, the Company recorded an asset of \$1,364 related to customer relationships in a separate exchange transaction.

The estimated amortization expense for each of the next five years is as follows:

2008	\$	13,150
2009		12,359
2010		9,588
2011		8,923
2012		7,669

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Goodwill balances and the changes therein are as follows:

	<u>Total</u>
Balance as of December 31, 2006	\$ 45,779
Acquisitions	131,057
Purchase price adjustments	111
Foreign currency change	(344)
Balance as of December 31, 2007	<u>\$ 176,603</u>

### (15)–Litigation

On April 22, 2005, Tele Atlas N.V. and Tele Atlas North America (“Tele Atlas”) filed a complaint against the Company in the United States District Court for the Northern District of California. The complaint alleges that the Company violated Sections 1 and 2 of the Sherman Act, Section 3 of the Clayton Act, and Sections 16720, 16727 and 17200 of the California Business and Professions Code, and that the Company intentionally interfered with Tele Atlas’ s contractual relations and prospective economic advantage with third parties, by allegedly excluding Tele Atlas from the market for digital map data for use in navigation system applications in the United States through exclusionary and predatory practices. On August 16, 2005, Tele Atlas filed an amended complaint based on these same causes of action. Specifically, in its amended complaint, Tele Atlas alleges that the Company controls a predominant share of variously defined markets for digital map data and has entered into exclusive contracts with digital map data customers for the purpose of acquiring or maintaining an illegal monopoly in these alleged markets. Tele Atlas also contends that these allegedly exclusive contracts have interfered with Tele Atlas’ current and prospective business relationships and amount to unfair competition under California state law. In addition, Tele Atlas alleges that the Company, through its license under U.S. Patent No. 5,161,886, control a predominant share of the alleged relevant technology market consisting of methods for displaying portions of a topographic map from an apparent perspective view outside and above a vehicle in the United States, and allegedly have entered into patent licenses and/or other arrangements in a manner that violates the aforesaid laws. On November 2, 2005, the Court dismissed some, but not all, of Tele Atlas’ claims for failure to state valid causes of action. On November 22, 2005, Tele Atlas filed a second amended complaint based on the same causes of actions and essentially the same allegations as in its first amended complaint and the Company filed an answer denying Tele Atlas’ claims. On February 19, 2007, Tele Atlas filed a Motion for Leave to Amend and Supplement Second Amended Complaint, seeking to file a third amended complaint based on the same causes of action and allegations as in its second amended complaint. Tele Atlas’ s proposed third amended complaint adds allegations regarding an additional defined market for digital map data and regarding the Company’ s control, through the Company’ s U.S. Patent No. 6,735,515, of a technology market consisting of methods and systems designed to continuously provide driver assistance systems with updated data about paths along roads onto which a motor vehicle can travel from its current position, and use of such control to enter into a patent licenses and/or other agreements in a manner that violates federal and state antitrust laws. Tele Atlas seeks preliminary and permanent injunctive relief, unspecified monetary, exemplary and treble damages, and costs and attorneys’ fees of suit. The court granted Tele Atlas’ s Motion for Leave and Tele Atlas’ s Third Amended Complaint was filed under seal on May 11, 2007. Fact and expert discovery has closed and the period for filing summary judgment motions has ended. The Company filed summary judgment motions seeking decisions in the Company’ s favor on all of Tele Atlas’ claims. This action is scheduled to begin a jury trial on July 14, 2008. The Company believes that Tele Atlas’ claims are without merit. The Company intends to take all necessary steps to vigorously defend itself against this action; however, the Company cannot predict its outcome or potential effect, if any, on the Company’ s business, financial position or results of operations. A negative outcome could adversely affect the Company’ s business, results of operations and financial condition. Even if the Company prevails in this matter, the Company may incur significant costs

in connection with its defense, experience a diversion of management time and attention, realize a negative impact on its reputation with its customers and face similar governmental and private actions based on these allegations.

On August 22, 2006, Traffic.com, a subsidiary of the Company as of March 6, 2007, formally notified Road Runner Planning & Consulting Inc. ("RRPC") that RRPC was in breach of its agreement with Traffic.com concerning its role as construction manager for deployment of Traffic.com's electronic highway traffic sensor equipment. The breaches Traffic.com cited included failure to adhere to contractually allotted time frames; failure to obtain necessary permits and licenses; providing defective parts and materials; refusing to provide valid lien waivers; and threatening to cease performance. On August 23, 2006, Traffic.com commenced an arbitration proceeding against RRPC, seeking damages, based principally on such breaches. Based upon their failure to cure the breaches, on September 12, 2006 Traffic.com terminated the agreement. In lieu of filing counterclaims in connection with the arbitration Traffic.com filed, RRPC filed a separate arbitration matter on August 23, 2006 claiming, among other things, that Traffic.com breached the agreement by terminating the agreement, and seeking damages. Both arbitration matters were filed with American Arbitration Association ("AAA") in Pittsburgh, Pennsylvania and were consolidated into one action. On July 17, 2007, the parties agreed upon terms of settlement and a definitive settlement agreement was executed effective September 5, 2007. Under such settlement terms, Traffic.com was obligated to make a payment of \$2,650 to RRPC and RRPC was obligated to deliver certain equipment and materials to Traffic.com with a value of approximately \$1,350. RRPC completed its delivery of such materials to Traffic.com, and Traffic.com completed making such payments to RRPC, on October 31, 2007. The Company recorded the liability for the settlement and the asset for the acquired equipment in the third quarter of 2007 as adjustments to the preliminary purchase price allocation.

On October 4, 2007, a shareholder class action and derivative complaint was filed by Monroe County Employees Retirement System in the United States District Court for the Northern District of Illinois. This lawsuit purported to be brought on behalf of all NAVTEQ stockholders and derivatively on behalf of NAVTEQ and named the members of the NAVTEQ Board of Directors and NAVTEQ as defendants. On October 9, 2007, a second shareholder class action complaint was filed by Karen Rosenberg in the Circuit Court of Cook County, Illinois. This lawsuit also purported to be brought on behalf of all NAVTEQ stockholders and named the members of the NAVTEQ Board of Directors, NAVTEQ, and Nokia Inc. as defendants. Both complaints alleged, among other things that the NAVTEQ Board of Directors violated its fiduciary duties to NAVTEQ stockholders by entering into the merger agreement. The second complaint also alleged that Nokia Inc. aided and abetted the NAVTEQ Board of Directors in its alleged violation of fiduciary duties. Both complaints sought to enjoin the merger and monetary relief. NAVTEQ denies all of the allegations in these lawsuits, including any allegation its current disclosures with regard to the merger are false, misleading, or incomplete in any way. Nevertheless, without admitting any liability or wrongdoing, NAVTEQ and the other defendants have agreed to settle the lawsuits in order to avoid the potential cost and distraction of continued litigation and to eliminate any risk of delay to the closing of the merger posed by these lawsuits. On January 25, 2008, the parties in both actions entered into a memorandum of understanding for settlement of the claims under which NAVTEQ agreed, without any admission of liability or wrongdoing, to (1) modify the appraisal rights of NAVTEQ's shareholders, (2) make certain additional disclosures regarding the merger transaction in a Form DEFA14A, (3) make certain additional confirmatory discovery available to the plaintiffs to confirm the fairness and adequacy of the settlement, and (4) pay the sum of \$1,000,000 to plaintiffs' counsel for their fees and reimbursement of expenses and costs. This payment will not affect the merger consideration to be paid to NAVTEQ's shareholders in connection with the merger. The details to the settlement will be set forth in a notice to be sent to NAVTEQ's shareholders prior to a hearing before the court to consider the settlement. The settlement is subject to the parties agreeing upon and executing appropriate stipulations of settlement and such other documentation as may be required to obtain approval of the settlement from the Federal Court and dismissal of both the Federal and State actions, which stipulation will provide, among other things: (i) for the certification as an opt-out class for settlement purposes of all persons who owned NAVTEQ common stock as of July 30, 2007 through and including the sale of NAVTEQ as contemplated in the merger, and their successors in interest and transferees, under Rule 23 of the Federal Rules of Civil Procedure or its State Court rule equivalent; (ii) for entry of a judgment of dismissal with prejudice in both the Federal and State actions; and (iii) for a release and settlement of all known and unknown claims against defendants, including Nokia, and their respective various related persons, which have been or could have been asserted by any member of the proposed class, based upon, arising from, or related to any matter discussed in the November 13, 2007 Proxy or any disclosure related thereto or the actual or alleged acts or omissions of defendants relating to the merger. The stipulation will further provide that defendants have denied and continue to deny that they have committed or attempted to commit any violations of law or breached any duty owed to NAVTEQ or its stockholders or otherwise. The settlement is subject to: (a) the drafting and execution of the definitive settlement documents; (b) final

approval from the Federal Court of the settlement and dismissal of both the Federal and State Actions with prejudice and without awarding costs to any party (except for NAVTEQ's payment of \$1,000,000 as discussed above); and (c) consummation of the merger.

We are subject to various other legal proceedings and claims arising in the ordinary course of our business. We do not believe that any of these other legal proceedings or claims will materially affect our business, financial position or results of operations.

#### **(16)–Guarantees**

In November 2002, the FASB issued Interpretation (FIN) 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." FIN 45 requires that the Company recognize the fair value for guarantee and indemnification arrangements issue or modified by the Company after December 22, 2002, if these arrangements are within the scope of the Interpretation. In addition, the Company must continue to monitor the conditions that are subject to the guarantees and indemnifications, as required under previously existing GAAP, in order to identify if a loss has occurred. If the Company determines it is probable that a loss has occurred then any such estimable loss would be recognized under those guarantees and indemnifications. Under its standard database licensing agreements, the Company agrees to indemnify, defend and hold harmless its licensees from and against certain losses, damages and costs arising from claims alleging the licensees' use of Company data infringes copyrights, and in some cases, other intellectual property rights, of a third party. Historically, the Company has not been required to pay any amounts in connection with claims asserted under these provisions, and, accordingly, the Company has not recorded a liability relating to such provisions.

#### **(17)–Pending Merger with Nokia**

On October 1, 2007, the Company entered into an Agreement and Plan of Merger ("Nokia Merger Agreement") with Nokia Inc., a Delaware corporation ("Parent"), North Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Purchaser") and, for certain purposes set forth in the Nokia Merger Agreement, Nokia Corporation, a corporation organized and existing under the laws of the Republic of Finland. Subject to the terms and conditions of the Nokia Merger Agreement, Purchaser will be merged with and into us (the "Nokia Merger"), each outstanding share of the Company's common stock, par value \$0.001 per share, will be converted into the right to receive \$78.00 in cash, without interest, and the Company will survive the Nokia Merger as a wholly-owned subsidiary of Parent. All unvested options to purchase common stock will accelerate and vest in full immediately prior to the consummation of the Nokia Merger. Option holders will receive a cash payment for each option held equal to the excess of \$78.00 over the applicable option exercise price, less taxes.

The Nokia Merger Agreement includes customary representations, warranties and covenants of the parties and is subject to customary closing conditions, including certain regulatory reviews and approvals. The Nokia Merger Agreement also contains certain termination rights for both the Company and Parent and further provides the Company will be required to pay Parent a termination fee of \$250 million if the Nokia Merger Agreement is terminated under certain specified circumstances. The Nokia Merger Agreement was approved and adopted by the Company's stockholders at a special meeting of stockholders on December 12, 2007.

#### **(18)–Quarterly Results (unaudited)**

The following table presents the Company's selected unaudited quarterly results:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
For the year ended December 31, 2006				
Net revenue	\$ 122,325	135,945	142,658	180,691
Operating income	20,723	33,126	37,044	62,803
Net income	16,184	23,764	27,079	42,943

Basic earnings per share of common stock*	0.18	0.26	0.29	0.46
Diluted earnings per share of common stock*	0.17	0.25	0.28	0.45

For the year ended December 31, 2007

Net revenue	\$ 159,951	202,304	214,775	276,357
Operating income	38,343	54,030	50,492	83,286
Net income	30,249	40,894	39,895	61,912
Basic earnings per share of common stock*	0.32	0.42	0.41	0.63
Diluted earnings per share of common stock*	0.31	0.41	0.40	0.61

\* The earnings per share computation for the year is a separate, annual calculation. Accordingly, the sum of the quarterly earnings per share amounts does not necessarily equal the earnings per share for the year.

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## NAVTEQ CORPORATION

### AND SUBSIDIARIES

#### FINANCIAL STATEMENT SCHEDULE

#### SCHEDULE II

##### Valuation and Qualifying Accounts

Allowance for Doubtful Accounts (In thousands):

Year	Balance at Beginning of Year	(1) Additions	(2) Deductions	(3) Acquisitions	Balance at End of Year
2005	3,571	2,303	(1,022)	—	4,852
2006	4,852	2,548	(763)	—	6,637
2007	6,637	4,312	(1,221)	641	10,369

(1) Provision for bad debts.

(2) Accounts receivable written off against the allowance.

(3) Amounts acquired as part of the acquisition of Traffic.com

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**DATA LICENSE AGREEMENT****Between****Navigation Technologies Corporation****and****Garmin International Incorporated  
(LICENSEE)**

THIS DATA LICENSE AGREEMENT ("Agreement") is made and entered into between Navigation Technologies Corporation ("NTC") and LICENSEE as of the Effective Date:

1. **ARTICLE 1**

- 1.1 Effective Date: June 1, 1999
- 1.2 Expiration Date: June 1, 2001; extendable pursuant to Section 6.2.
- 1.3 NTC Place of Incorporation: Delaware
- 1.4 LICENSEE Place of Incorporation: Kansas
- 1.5 NTC Address: Navigation Technologies Corporation  
Suite 400  
10400 West Higgins Road  
Rosemont, Illinois 60018  
Attn: General Counsel  
Phone: (847) 795-7000  
Fax: (847) 699-8057
- 1.6 LICENSEE Address: Garmin International Incorporated  
1200 East 151<sup>st</sup> Street  
Olathe, Kansas 66062  
Attn: General Counsel  
Phone: (913) 397-8200  
Fax: (913) 397-8282

**ARTICLES 2-6: DEFINITIONS AND TERMS OF GRANT**2. **DEFINITIONS**

2.1 "Application" shall mean a product, apparatus, service or system specifically identified in a Territory License for which use of the NAVTECH Data is authorized.

- 2.2 “Copy” shall mean any reproduction in any form on a single storage media (of a type as may be specified in a Territory License) of all or any portion of the NAVTECH Data.
- 2.3 “End-User” shall mean any entity or person who receives or uses a Copy of the NAVTECH Data or information contained therein or derived therefrom for personal use in an Application with no right to sublicense the Copy.
- 2.4 “Intellectual Property Rights” shall mean patent rights, copyrights, trademarks, service marks, and any and all other statutory and legal rights and protections available under applicable laws for the protection of intellectual property.
- 2.5 “Licensed Territory” shall mean the geographical area as specified in a Territory License.
- 2.6 “NTC” shall also include its subsidiaries, collectively and singly, unless the context clearly requires otherwise.
- 2.7 “NAVTECH Data” shall mean the geographic data of the Licensed Territory made by or for, and generally released by, NTC and limited to the contents specified in a Territory License.
- 2.8 “Territory License” shall mean each fully executed Schedule which is attached to this Agreement. To the extent that any of the provisions of a Territory License are inconsistent with, or conflict with, any of the provisions of this Agreement, the provisions of such Territory License shall prevail.

### 3. PARTIES

- 3.1 Legal Corporation. Each party represents and warrants that it is a corporation duly organized and existing under the laws of its Place of Incorporation identified for such party in ARTICLE 1 of this Agreement and is in good standing under such laws.
- 3.2 Authority for Agreement. Each party represents and warrants that: it has the requisite corporate power to enter into this Agreement and to perform under this Agreement according to its terms; all actions on its own part and on the part of its directors and stockholders necessary for the authorization, execution, delivery, and performance of this Agreement have been taken as of the Effective Date; and its execution, delivery, and performance of this Agreement will not result in any material violation of any agreement to which it is a party nor any law to which it is subject.
- 3.3 Successors and Assigns. The rights and obligations of each party under this Agreement may not be transferred or assigned directly or indirectly without the prior written consent of the other party, which consent will not be unreasonably withheld, except that NTC may assign this Agreement to any entity that acquires substantially all of its stock, assets or business. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.
- 3.4 No Third Party Beneficiaries. This Agreement is between NTC and LICENSEE. No third party beneficiaries are intended.
- 3.5 Independent Contractors. The relationship of NTC and LICENSEE established by this Agreement is that of independent contractors, and nothing contained in this Agreement will be construed to (a) give either party the power to direct and control the day-to-day activities of the other, (b) constitute the parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (c) allow either party to create or assume any obligation on behalf of the other party for any purpose whatsoever.

### 4. GRANT OF LICENSE

- 4.1 License. Subject to LICENSEE' s performance of its obligations under this Agreement, NTC hereby grants LICENSEE with respect to each Territory License a non-exclusive, non-transferable (except as set forth in Section 3.3 (Successors and Assigns)), non-sublicensable license under NTC' s Intellectual Property Rights to use the NAVTECH Data solely as further specified as the “Use Rights” in such Territory License and solely for the term and Licensed Territory and in the Application(s) specified in such Territory License.

4.2 Additional Licenses. Subject to future agreement of the parties, NTC may grant future Territory Licenses to LICENSEE covering additional Use Rights, Licensed Territories and Applications. Any such license shall be set forth as an additional Territory License, shall be signed by the appropriate parties, and shall be subject to all of the terms and conditions of this Agreement except to the extent such Territory License expressly indicates otherwise.

4.3 End-User Licenses. Each present and future Territory License shall include an attachment containing end-user terms promulgated and/or approved by NTC which, among other things, restrict use of the NAVTECH Data to licensed Applications ("End-User Terms"). LICENSEE shall provide each End-User, in a form and manner of presentation approved in advance in writing by NTC, with a copy of the End-User Terms. NTC reserves the right to amend and/or replace End-User Terms and the form and manner of presentation thereof after providing 90 days advance written notice to LICENSEE. In addition to the foregoing, LICENSEE shall provide each End-User with any and all legally required and otherwise necessary and appropriate training, instruction, warnings, disclaimers, and safety information.

## 5. FEES & PAYMENT

5.1 License Fees. LICENSEE shall pay NTC license fees in the amounts specified in each Territory License. Such license fees are due on the dates set forth in each Territory License.

5.2 Minimum Annual License Fees. LICENSEE shall pay NTC the amount of any minimum annual license fees ("Minimum Annual License Fees") specified in each Territory License. Minimum Annual License Fees are due on the dates specified in each Territory License. Unless otherwise specifically set forth in a Territory License:

5.2(a) the Minimum Annual License Fee for any Territory License shall be applied in each calendar year to license fees due under Section 5.1 for such Territory License for such calendar year;

5.2(b) unused amounts of any Minimum Annual License Fee in any calendar year, if any, are not refundable and cannot be carried forward to any other calendar year or credited towards license fees due under a different Territory License.

5.3 Fees on Payments. In addition to all fees and charges required to be paid by LICENSEE to NTC under this Agreement, LICENSEE shall be responsible for and shall pay any and all fees, currency conversion costs, withholdings, taxes, and other costs or charges on such payments and transfers to NTC, exclusive of any income taxes calculated on NTC's net income.

5.4 Date of Payments. LICENSEE shall pay NTC any and all fees and other charges required under this Agreement within 30 days of the applicable due dates as set forth herein.

5.5 Manner of Payment. All payments made by LICENSEE to NTC hereunder shall be made by means of good funds or telegraphic transfer of funds in the currency (or officially invoked successor thereof) and to the bank account specified in each Territory License.

5.6 License Fee Adjustments. During the term of this Agreement, the license fees, including, without limitation, Minimum Annual License Fees and charges, specified in each Territory License shall be adjusted as of January 1 of each calendar year to reflect the actual percentage increase or decrease in the designated price index (or officially invoked successor thereof) from September of the base year to September of the year preceding the year of adjustment, as specified in such Territory License.

5.7 Payment Default. In the event that LICENSEE is late or otherwise in default with respect to any payment due hereunder, LICENSEE shall pay to NTC interest at an annual percentage rate of 15% (or the maximum rate permitted by law for any period in which the permitted rate is less than 15%), on the sum due from the due date of the payment until the full payment thereof.

5.8 License Fee Reports. On or before the 10th day of each calendar month, LICENSEE shall provide NTC with a written license fee report certified by an authorized representative of LICENSEE, which report shall set forth the license fee and other charges due and the basis of calculation thereof as well as such other information NTC may reasonably request, including, without limitation, the number of all Copies distributed by Customer since the last such report, the release date of the version of the NAVTECH Data used to make such Copies, the name and address of the purchaser of the Application, the geographic coverage corresponding to each Copy distributed, the make and model of the vehicle in which the Application is or will be installed, whether each Copy is the initial Copy distributed to the End-User or an updated version thereof, and other information that is necessary to understand the fee calculation as may be apparent from the applicable Territory License.

5.9 Right to Audit. LICENSEE shall keep and maintain detailed and accurate books and records with regard to license fees and the basis of calculation thereof for a period of three (3) years after the applicable payment of license fees. NTC shall have the right, at its own expense, on reasonable notice and not more often than once annually, to inspect and audit LICENSEE' s records and other relevant information for the purpose of verifying the amount of license fees and other charges due and LICENSEE' s compliance with the terms and conditions of this Agreement. Any inspection and audit of business records shall occur

within eighteen (18) months following the applicable fee payment and shall be during reasonable business hours at the location where LICENSEE maintains such records. NTC shall maintain the confidentiality of such records to the extent required under ARTICLE 16, and shall put the information and records inspected to no other use than the verification of license fees due. If such an audit determines that payments made during any period audited were 5.0% or more below the amount actually due, then the reasonable expense of the audit shall be borne by LICENSEE. LICENSEE shall pay NTC any amount shown to be due by an audit within 10 days of completion of the audit with interest as specified in Section 5.7 on the amount of the underpayment.

## 6. TERM & TERMINATION

6.1 Term. Unless terminated as provided herein, the term of this Agreement is from the Effective Date through the Expiration Date and any extension thereof pursuant to Section 6.2. The term of each Territory License shall be as specified therein, but in no event beyond the term of this Agreement or any extension thereof.

6.2 Term Extension. The term of this Agreement shall automatically extend for additional one (1) year periods, unless either party delivers written notice of termination to the other at least six (6) months prior to the expiration of the term of this Agreement or any extension thereof.

6.3 Termination for Breach. If either party materially breaches any of the terms of this Agreement, and fails to cure such a breach within 30 days after receiving written notification of such breach from the non-breaching party, the non-breaching party may immediately terminate this Agreement and may, in addition to all other remedies available at law and in equity, protect its interests by any means available to it.

6.4 Obligations On Termination. Immediately following termination or expiration of this Agreement or any Territory License for any reason, LICENSEE shall cease any and all use and distribution of the NAVTECH Data, undistributed Copies, information and services derived therefrom, related documentation, and all other information and materials provided by NTC to LICENSEE under the Agreement or Territory License, respectively, and LICENSEE shall return all of the foregoing items and materials to NTC within 30 days of such termination or expiration.

## **ARTICLES 7-9: DELIVERY, QUALITY AND SUPPORT**

### 7. DELIVERY

Within 10 days after LICENSEE' s request, but no more often than twice per calendar year, NTC shall deliver to LICENSEE the then current version of the NAVTECH Data for each Licensed Territory. NTC will provide this information in GDF 3.0 format or successor format adopted by NTC, or in another format mutually agreed to by NTC and LICENSEE; provided, however, that NTC shall have no obligation to provide the information in any format other than GDF 3.0 or successor that it adopts. LICENSEE acknowledges that the NAVTECH Data corresponding to certain portions of the Licensed Territory continues to be developed and will only be available to LICENSEE as otherwise provided in this Agreement upon general release after completion. LICENSEE shall pay NTC a processing and delivery fee as may be set forth in each Territory License for each copy of the NAVTECH Data for the Licensed Territory delivered hereunder.

### 8. QUALITY

8.1 Updating & Quality. In all Licensed Territories, NTC shall use commercially reasonable efforts to update the NAVTECH Data in a timely manner. NTC shall also use commercially reasonable efforts to improve the quality of the NAVTECH Data. A Territory License may include a Verification Procedure for Accuracy and Completeness or equivalent with which the NAVTECH Data or portions thereof shall comply. Compliance therewith shall satisfy all of NTC's obligations hereunder with respect to the NAVTECH Data. To the extent that the NAVTECH Data does not comply with the applicable Verification Procedure for Accuracy and Completeness or equivalent, NTC shall use commercially reasonable efforts to effect such compliance.

8.2 Specification Changes. NTC reserves the right to modify the content specifications for any NAVTECH Data, including, without limitation, adding, deleting and re-categorizing data elements. NTC will provide LICENSEE with at least six-months prior notice of any modifications of the specifications of the NAVTECH Data, but only to the extent that it is reasonably foreseeable by NTC that such modifications will have a materially adverse effect on LICENSEE's use of the NAVTECH Data in its Applications.

8.3 Error Reporting. LICENSEE agrees that any and all information and documentation concerning alleged and/or actual errors, problems, complaints, and related matters concerning the NAVTECH Data of which LICENSEE is or becomes aware shall be promptly made fully and freely available to NTC, without charge, for NTC's unlimited use in its sole discretion, including, but not limited to, NTC's incorporation of such information and documentation

into the NAVTECH Data. LICENSEE shall not retain, acquire or assert any right, title or interest in or to the NAVTECH Data or the Intellectual Property Rights thereto based on the transfer of such information and documentation to NTC or NTC's use or incorporation of such information and documentation (or derivatives thereof) in the NAVTECH Data or otherwise.

## 9. LICENSEE TEST PRODUCTS

At NTC's request, LICENSEE shall provide NTC without charge and as soon as each is available, a reasonable number of each test and production version of the products and Applications in which LICENSEE intends to use the NAVTECH Data ("Test Products"). Test Products shall include current hardware, software and formats of data for use and operation of such products and Applications. NTC will use the Test Products solely for internal purposes of testing and verifying the NAVTECH Data. The number of Test Products shall be the greater of twenty-five (25) or the number reasonably required by NTC to test and verify the NAVTECH Data in the Licensed Territory(ies).

## **ARTICLES 10-11: RIGHTS AND RESTRICTIONS**

### 10. RIGHTS IN NAVTECH DATA

10.1 NTC Ownership. NTC represents and warrants that it has the right to grant all licenses granted by it hereunder.

10.2 Rights Reserved. LICENSEE acknowledges that NTC and its licensors and suppliers own all Intellectual Property Rights in and to the NAVTECH Data. NTC and its licensors and suppliers retain all such rights under this Agreement.

### 11. RESTRICTIONS ON USE

#### 11.1 Restrictions.

11.1(a) LICENSEE shall not make any modifications, adaptations, or alterations of or to the NAVTECH Data (collectively "Modifications") or associate or add any data to or in combination with the NAVTECH Data (collectively "Additions"), without NTC's prior written approval, except that LICENSEE may reformat or recompile the NAVTECH Data for use in Applications. Notwithstanding the foregoing, in no event shall LICENSEE make any Modifications or Additions which in any manner materially reduce, impair, or otherwise negatively impact upon the accuracy, completeness, integrity, or safety of the NAVTECH Data.

11.1(b) LICENSEE shall be responsible for, and shall exercise any and all legally required care and diligence in connection with the design, manufacturing, workmanship, testing, distribution, operation, and safety of any product or Application which incorporates or otherwise utilizes the NAVTECH Data pursuant to the license granted to LICENSEE hereunder.

11.1(c) Any product, system or Application developed by or for LICENSEE which incorporates or otherwise utilizes the NAVTECH Data shall be free of any defects in design, manufacturing, workmanship, or otherwise.

11.1(d) Any uses of the NAVTECH Data not expressly authorized herein, as well as any and all unauthorized, unintended, unsafe, hazardous, unlawful, or illegal uses of the NAVTECH Data, are expressly prohibited.

11.1(e) LICENSEE shall comply with any and all laws, rules and regulations to the extent applicable to the NAVTECH Data.

11.2 Export Control. LICENSEE shall not export from anywhere any part of the NAVTECH Data or any direct product thereof except in compliance with, and with all licenses and approvals required under, applicable export laws, rules and regulations. To the extent that any such export laws, rules or regulations prohibit NTC from complying with any of its obligations hereunder to deliver or distribute NAVTECH Data or Copies thereof, such failure shall be excused and shall not constitute a breach of this Agreement.

11.3 Reverse Engineering. LICENSEE agrees not to disassemble, decompile or otherwise reverse engineer the NAVTECH Data.

11.4 Non-Infringing Use. LICENSEE shall not combine, incorporate, utilize, or distribute Copies of the NAVTECH Data with or in connection with any product or system which, alone or in combination with such Copies, infringes any other person's or entity's Intellectual Property Rights or any other rights.

11.5 Third-Party Licensors and Suppliers. LICENSEE shall comply with any and all requirements and restrictions imposed on NTC by its present and future data licensors and suppliers and other entities. To the extent not already set forth herein or in a Territory License, NTC will notify LICENSEE of such requirements and restrictions. Without limiting the foregoing, LICENSEE agrees to the provisions set forth in (i) Addendum 1 attached hereto, which shall apply to any Territory License where the Licensed Territory includes any portion of the provinces of Canada, and (ii) Addendum 2 attached hereto, which shall apply to

any Territory License where the Licensed Territory includes any of the European countries as specified therein.

## ARTICLE 12: MARKETING AND LEGENDS

### 12. MARKETING

12.1 Display of Marks, Legends & Notices. LICENSEE shall conspicuously display any and all of NTC's and its suppliers' proprietary rights legends, copyright notices, trademarks, service marks, trade names and similar information and designations (collectively "NTC Marks and Legends"), as specified by NTC (including, without limitation, the trademark NAVTECH ON BOARD and other NTC Marks and Legends specified in the NTC Identity Guidelines or successors or equivalents thereof), on Copies of the NAVTECH Data, on on-screen displays, on splash and start-up screens, in the instructions (printed and electronic), and in all packaging and other written materials which accompany or relate to the Application distributed by or on behalf of LICENSEE hereunder (collectively, "Collateral"). Without limiting the foregoing, in all instances where NAVTECH Data is used and/or where Collateral references NAVTECH Data, LICENSEE shall attribute NTC as the creator and source of origin of the NAVTECH Data, and shall not in any way be misleading in that regard or represent or imply that LICENSEE or any third party is the creator or source of origin of the NAVTECH Data.

12.2 License of Marks & Legends. During the term of this Agreement, NTC grants LICENSEE a non-exclusive, non-transferable, non-sublicensable right to use the NTC Marks & Legends as required under Section 12.1. LICENSEE must conspicuously indicate in any and all materials displaying the NTC Marks that NTC is the owner thereof and/or that the NTC Marks are registered trademarks and/or service marks of NTC, as the case may be. Nothing stated herein shall constitute a grant or other transfer to LICENSEE of any right, title or interest in the NTC Marks or any other Intellectual Property Rights of NTC. Upon termination or expiration of this Agreement for any reason, LICENSEE shall immediately cease all use of NTC Marks.

12.3 Demonstrations. At NTC' s request, LICENSEE shall without charge allow NTC to demonstrate LICENSEE' s Application, as well as Test Products, for customer and general corporate demonstrations and at trade shows and other promotional events.

## **ARTICLES 13-15: DISCLAIMER, LIMITATION AND INDEMNIFICATION**

### **13. DISCLAIMER**

THE NAVTECH DATA IS PROVIDED "AS IS". NTC MAKES NO REPRESENTATIONS OR WARRANTIES EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, NTC EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF ANY KIND, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF QUALITY, PERFORMANCE, MERCHANT-ABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREE-MENT, NTC DOES NOT WARRANT, GUARANTEE, OR MAKE ANY REPRESENTATIONS REGARDING THE USE, OR THE RESULTS OF THE USE, OF THE NAVTECH DATA OR ANY OTHER MATERIALS IN TERMS OF CORRECTNESS, ACCURACY, RELIABILITY, OR OTHERWISE.

### **14. LIMITATION ON LIABILITY**

#### **14.1 Limits on Liability.**

14.1(a) ANY LIABILITY OF NTC WITH RESPECT TO THE NAVTECH DATA OR THE PERFORMANCE THEREOF UNDER ANY WARRANTY, NEGLIGENCE, STRICT LIABILITY, CONTRACT OR OTHER THEORY WILL BE LIMITED EXCLUSIVELY TO REPLACEMENT OF THE NAVTECH DATA OR, IF IN NTC' S OPINION, REPLACEMENT IS INADEQUATE AS A REMEDY OR IMPRACTICAL, TO REFUND OF THE APPLICABLE LICENSE FEE. LICENSEE UNDERSTANDS THAT NTC IS NOT RESPONSIBLE FOR AND WILL HAVE NO LIABILITY FOR HARDWARE, SOFTWARE, OR OTHER ITEMS OR ANY SERVICES PROVIDED BY ANY PERSONS OTHER THAN NTC. LICENSEE ACKNOWLEDGES AND AGREES THAT THE LIMITATION OF LIABILITY CONTAINED HEREIN REFLECTS THE ALLOCATION OF RISK REFLECTED HEREUNDER AND THAT THE LICENSE HEREUNDER WOULD NOT OTHERWISE BE GRANTED.

14.1(b) EXCEPT AS OTHERWISE PROVIDED IN THE NEXT SENTENCE, AND NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT OR OTHERWISE, NEITHER PARTY SHALL BE LIABLE OR OBLIGATED UNDER ANY ARTICLE OF THIS AGREEMENT OR UNDER CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR LOST PROFITS. THE LIMITATIONS IN THIS

SECTION SHALL NOT APPLY TO BREACHES OF ARTICLE 16 (Confidentiality) OR LICENSEE' S PAYMENT OBLIGATIONS HEREUNDER OR TO ACTIONS OF LICENSEE BEYOND THE SCOPE OF THE LICENSE GRANTED HEREUNDER.



14.2 Force Majeure. Neither party shall be liable to the other for a failure to perform any of its obligations under this Agreement, except for payment obligations under this Agreement, during any period in which such performance is delayed due to circumstances beyond its reasonable control, provided such party notifies the other of the delay.

## 15. INDEMNIFICATION

15.1 General Indemnification. Except as provided in Section 15.2, LICENSEE shall indemnify and hold harmless NTC and its officers, directors, employees, agents and affiliates from and against any and all liabilities arising out of any cause or event which is attributable to its use or possession of the NAVTECH Data or its failure to perform or comply with any term of this Agreement, including but not limited to liabilities for personal injury or product liability.

15.2 Intellectual Property Indemnification. Subject to LICENSEE's performance of its obligations under this Agreement, NTC shall defend or settle at its expense any claim or suit against LICENSEE arising out of or in connection with an assertion that the NAVTECH Data infringes any copyrights and NTC shall indemnify and hold harmless LICENSEE from damages, costs, and attorneys' fees, if any, finally awarded in such suit or the amount of the settlement thereof; provided that (i) NTC is promptly notified in writing of such claim or suit, (ii) NTC shall have the sole control of the defense and/or settlement thereof, and (iii) LICENSEE furnishes to NTC, on request, all relevant information available to LICENSEE and reasonable cooperation for such defense. The foregoing in this Section 15.2 shall be the sole and exclusive indemnity and hold harmless obligations of NTC to LICENSEE with respect to any alleged infringement by the NAVTECH Data of any third party's Intellectual Property Rights. LICENSEE shall not admit or settle any such claim or suit without the prior written consent of NTC. NTC shall have no obligation under this Section 15.2 if and to the extent that such claim or suit arises from: (1) compliance by NTC with LICENSEE's specifications, (2) modification of the NAVTECH Data other than by NTC, (3) the combination of the NAVTECH Data with products or services other than those supplied by NTC, (4) LICENSEE continuing any manufacturing, distribution, or licensing after being notified of any allegedly infringing activity or after being informed of or provided with modifications that would have avoided the alleged infringement, or (5) LICENSEE's use of the NAVTECH Data that is not strictly in accordance with the license granted under this Agreement; LICENSEE will defend, indemnify and hold harmless NTC and its officers, directors, agents and employees from all damages, settlements, attorneys' fees and expenses related to a claim of infringement or violation of Intellectual Property Rights or misappropriation excluded from NTC's indemnity obligation by this sentence.

## **ARTICLES 16-18: CONFIDENTIALITY, DISPUTES AND CONSTRUCTION**

## 16. CONFIDENTIALITY

Each party agrees that all code, inventions, algorithms, know-how and ideas and all other business, technical and financial information they obtain from the other are the confidential property of the disclosing party ("Confidential Information" of the disclosing party). Except as expressly and unambiguously allowed herein, the receiving party will hold in confidence and not use or disclose any Confidential Information of the disclosing party and shall similarly bind its employees in writing. Upon termination of this Agreement or upon request of the disclosing party, the receiving party will return to the disclosing party all Confidential Information of such disclosing party, all documents and media containing such Confidential Information and any and all copies or extracts thereof. The receiving party shall not be obligated under this ARTICLE with respect to information the receiving party can document: (1) is or has become readily publicly available without restriction through no fault of the receiving party or its employees or agents; or (2) is received without restriction from a third party lawfully in possession of such information and lawfully empowered to disclose such information; or (3) was rightfully in the possession of the receiving party without restriction prior to its disclosure by the other party; or (4) was independently developed by employees or consultants of the receiving party without access to such Confidential Information; or (5) is required to be disclosed by order of court of competent jurisdiction.

## 17. DISPUTES

17.1 Resolution. Except with respect to Intellectual Property Rights, if a dispute arises between the parties relating to the interpretation or performance of this Agreement or the grounds for the termination hereof, the parties agree to hold a meeting, attended by individuals with decision-making authority, regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute prior to pursuing other available remedies. If, within 30 days after such meeting, the parties have not succeeded in resolving the

dispute, either party may protect its interests by any lawful means available to it. In any action or proceeding to enforce rights under this Agreement, the prevailing party shall be entitled to recover costs and attorneys' fees

17.2 Limitation on Action for Breach. Except with respect to any breach of LICENSEE' s payment obligations hereunder or any unauthorized use of NTC' s Intellectual Property Rights, any and all claims arising from or in connection with any breach of this Agreement must be brought within two (2) years from the date of such breach.

## 18. FORM & EFFECT OF AGREEMENT

18.1 Entire Agreement. This Agreement together with its Schedules and other attachments (if any) constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes any and all prior negotiations, promises, commitments, undertakings, and agreements of the parties relating thereto.

18.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

18.3 Modification. This Agreement may be modified or amended only by a written instrument duly executed by the parties hereto.

18.4 Waiver of Breach. No waiver of any kind under this Agreement will be deemed effective unless set forth in writing and signed by the party charged with such waiver, and no waiver of any right arising from any breach or failure to perform will be deemed to be a waiver or authorization of any other breach or failure to perform or of any other right arising under this Agreement.

18.5 Notices. All notices required or permitted under this Agreement shall be delivered by hand, fax or nationally recognized overnight courier addressed if to NTC and if to LICENSEE at the NTC Address and the LICENSEE Address, respectively, set forth in ARTICLE 1 of this Agreement, or at such other address as either party shall have furnished to the other in writing. All such notices and other written communications shall be effective (1) if sent by overnight courier, two business days after mailing, and (2) if sent otherwise, upon delivery.

18.6 Survival of Terms. The provisions of ARTICLE 5 (Fees & Payment), Section 6.4 (Obligations on Termination), Section 10.2 (Rights Reserved), ARTICLE 11 (Restrictions on Use), Section 12.1 (Display of Marks, Legends & Notices), Section 14.1 (Limits on Liability), ARTICLE 15 (Indemnification), ARTICLE 16 (Confidentiality), ARTICLE 17 (Disputes), Section 18.6 (Survival of Terms) and Section 18.8 (Governing Law), shall survive the termination of this Agreement for any reason.

18.7 Headings. The headings and subheadings used in this Agreement and in the Schedules hereto are only used for convenience of reference, and are not to be considered in construing this Agreement.

18.8 Governing Law. This Agreement shall be construed and governed by the substantive laws of the State of Illinois without giving effect to the conflict of laws provisions. The United Nations Convention of Contracts for the International Sale of Goods shall not apply to this Agreement.

18.9 Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions hereof shall be unaffected thereby and remain valid and enforceable as if such provision had not been set forth herein. The parties agree to substitute for such provision a valid provision which most closely approximates the intent and economic effect of such severed provision.

18.10 Advice of Counsel. The parties acknowledge that prior to executing this Agreement they have been advised by legal counsel and fully understand and agree to all of their rights and obligations under this Agreement, and that this Agreement is the result of informed negotiations between sophisticated parties. The parties further acknowledge and agree that they have not relied on any representation, inducement, or anything else in executing this Agreement that is not set forth expressly herein.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement as of the Effective Date set forth in ARTICLE 1 of this Agreement.

NAVIGATION TECHNOLOGIES CORP.

GARMIN INTERNATIONAL INCORPORATED

/s/ M.S. Khan

Signature

M.S. Khan

Name

V.P. Strategic Initiatives

Title

/s/ Min Kao

Signature

Min H. Kao

Name

V.P.

Title

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### **Addendum 1**

The following provisions apply to the NAVTECH Data for the Licensed Territory of Canada, which may include or reflect data from third party licensors, including Her Majesty the Queen in Right of Canada ("Third Party Data"):

1. **Disclaimer and Limitation:** LICENSEE agrees that its use of the Third Party Data is subject to the following provisions:

(A) **DISCLAIMER:** THE THIRD PARTY DATA IS LICENSED ON AN "AS IS" BASIS. THE LICENSORS OF SUCH DATA, INCLUDING HER MAJESTY THE QUEEN, MAKE NO GUARANTEES, REPRESENTATIONS OR WARRANTIES RESPECTING SUCH DATA, EITHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, EFFECTIVENESS, COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.

(B) **LIMITATION ON LIABILITY:** THE THIRD PARTY DATA LICENSORS, INCLUDING HER MAJESTY THE QUEEN, SHALL NOT BE LIABLE: (i) IN RESPECT OF ANY CLAIM, DEMAND OR ACTION, IRRESPECTIVE OF THE NATURE OF THE CAUSE OF THE CLAIM, DEMAND OR ACTION ALLEGING ANY LOSS, INJURY OR DAMAGES, DIRECT OR INDIRECT, WHICH MAY RESULT FROM THE USE OR POSSESSION OF SUCH DATA; OR (ii) IN ANY WAY FOR LOSS OF REVENUES OR CONTRACTS, OR ANY OTHER CONSEQUENTIAL LOSS OF ANY KIND RESULTING FROM ANY DEFECT IN THE DATA.

2. **Copyright Notice:** In connection with each Copy of all or any portion of the NAVTECH Data for the Territory of Canada, Customer shall affix in a conspicuous manner the following copyright notice on at least one of: (i) the label for the storage media of the Copy; (ii) the packaging for the Copy; or (iii) other materials packaged with the Copy, such as user manuals or end user license agreements: **"This data includes information taken with permission from Canadian authorities, including © Her Majesty the Queen in Right of Canada."**

3. **End-User Terms:** In connection with the provision of any portion of the NAVTECH Data for the Territory of Canada to End-Users as may be authorized under the Agreement, LICENSEE shall provide such End-Users, in a reasonably conspicuous manner, with terms (set forth with other end user terms required to be provided under the Agreement, or as otherwise may be provided, by Customer) which shall include the following provisions on behalf of the Third Party Data licensors, including Her Majesty The Queen:

THE NAVTECH DATA MAY INCLUDE OR REFLECT DATA OF LICENSORS, INCLUDING HER MAJESTY THE QUEEN IN RIGHT OF CANADA. SUCH DATA IS LICENSED ON AN “AS IS” BASIS. THE LICENSORS, INCLUDING HER MAJESTY THE QUEEN, MAKE NO GUARANTEES, REPRESENTATIONS OR WARRANTIES RESPECTING SUCH DATA, EITHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, EFFECTIVENESS, COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.

THE LICENSORS, INCLUDING HER MAJESTY THE QUEEN, SHALL NOT BE LIABLE IN RESPECT OF ANY CLAIM, DEMAND OR ACTION, IRRESPECTIVE OF THE NATURE OF THE CAUSE OF THE CLAIM, DEMAND OR ACTION ALLEGING ANY LOSS, INJURY OR DAMAGES, DIRECT OR INDIRECT, WHICH MAY RESULT FROM THE USE OR POSSESSION OF THE DATA OR THE NAVTECH DATA. THE LICENSORS, INCLUDING HER MAJESTY THE QUEEN, SHALL NOT BE LIABLE IN ANY WAY FOR LOSS OF REVENUES OR CONTRACTS, OR ANY OTHER CONSEQUENTIAL LOSS OF ANY KIND RESULTING FROM ANY DEFECT IN THE DATA OR THE NAVTECH DATA.

END USER SHALL INDEMNIFY AND SAVE HARMLESS THE LICENSORS, INCLUDING HER MAJESTY THE QUEEN AND THE MINISTER, AND THEIR OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIM, DEMAND OR ACTION, IRRESPECTIVE OF THE NATURE OF THE CAUSE OF THE CLAIM, DEMAND OR ACTION, ALLEGING LOSS, COSTS, EXPENSES, DAMAGES OR INJURIES (INCLUDING INJURIES RESULTING IN DEATH) ARISING OUT OF THE USE OR POSSESSION OF THE DATA OR THE NAVTECH DATA.

4. Additional Provisions: This Addendum is in addition to all of the rights and obligations of the parties under the Agreement. To the extent that any of the provisions of this Addendum are inconsistent with, or conflict with, provisions of the Agreement, the provisions of this Addendum shall prevail.

## Addendum 2

The following provisions apply to the NAVTECH Data for and to the extent indicated respecting any Licensed Territory including any country of Europe, which may include or reflect data from respective third party licensors:

Paper Maps. LICENSEE shall not have any right or license to use, or license the use of, the NAVTECH Data for any Licensed Territory including any country of Europe to create paper maps of any kind (as used herein “paper map” shall mean any literary work in the form of a map fixed on a paper or paper-like medium).

OS Enforcement. With respect to NAVTECH Data for the Licensed Territory of Great Britain, LICENSEE acknowledges and agrees that the Ordnance Survey (“OS”) may bring a direct action against LICENSEE to enforce compliance with the OS copyright notice (see Section 3 below) and paper map requirements (see Section 2 above) contained in this Agreement.

Third Party Notices. Any and all Copies and/or packaging relating thereto shall include the respective Third Party Notices set forth below corresponding to the Licensed Territory (or portion thereof) included in such Copy:

<u>Territory</u>	<u>Notice</u>
France	“source: G��oroute�� IGN France & BD Carto�� IGN France”
Germany	“Die Grundlagendaten wurden mit Genehmigung der zust��ndigen Beh��rden entnommen.”
or	

“Die Grundlagendaten wurden mit Genehmigung der zuständigen  
Behörden  
entnommen.”

Great Britain

- Until 12/31/  
05: “Based on Ordnance Survey electronic data and used with the permission of the Controller of  
Her Majesty’s Stationary Office © Crown Copyright, 1995.”
- After 12/31/  
05: “Based upon Crown Copyright material.”

Italy

“Controllato ai sensi della legge N.68 del 2/2/1960. Nulla osta I.G.M. alla  
diffusione N.86 del 4/3/1996, N.295 del 31/7/1996, N.123 del 14/3/1997, N.372 del 17/9/1997,  
N.90 del 25/3/1998, N.228 del 23/6/1998 e N.327 del 6/10/1998.”

Sweden

“Based upon electronic data © National Land Survey Sweden.”

Switzerland

“Topografische Grundlage: © Bundesamt für Landestopographie.”

**SIXTH AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Sixth Amendment (“Amendment”) to the Data License Agreement dated July 1, 1999 (“Agreement”), by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 (“Garmin”) and NAVTEQ North America, LLC (formerly named Navigation Technologies North America, LLC and formerly Navigation Technologies Corporation), a Delaware organization, with offices at The Merchandise Mart, Suite 900, Chicago, Illinois 60654 (“NT”), is entered into as of March 1, 2004 (“Effective Date”).

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement with this Amendment,

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: V.P. and General Counsel  
Date: 5-4-2004

GARMIN CORPORATION

By: /s/ Min H. Kao  
Name: Min H. Kao  
Title: President  
Date: 5/5/04

NAVTEQ B.V.

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan

GARMIN INTERNATIONAL, INC.

By: /s/ Min H. Kao  
Name: Min H. Kao

Title: V.P. and General Counsel  
Date: 5-4-2004

Title: President  
Title: 5/5/04

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder. The Agreement and Territory License No. 7 are hereby amended as follows:

*Terms and Conditions*

**Amendments to Data License Agreement**

1. Prior Amendments. All prior amendments to the Agreement (i.e., the Extension dated June 30, 2001, the First Amendment dated May 1, 2001, the Second Amendment dated June 1, 2001, the Third Amendment dated April 1, 2002, the Fourth Amendment dated March 1, 2003, and the Fifth Amendment dated November 10, 2003), to the extent not otherwise terminated or expired as of the Effective Date of this Sixth Amendment, are hereby terminated as of the Effective Date of this Sixth Amendment and shall be of no further force or effect.
2. Expiration Date. The Expiration Date of the Agreement (Section 1.2) is hereby changed to "31 December 2009".
3. Prepaid License Fees.

- (a) Amount & Due Dates. LICENSEE shall pay NT a prepaid fee of \*\*\* ("Prepayment"), which shall be due in two installments as follows:

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***	***
***	***

\*\*\* indicates redacted text

\*\*\* Use of Prepaid Fees: Years 2004-2008. \*\*\*

\*\*\* Use of Prepaid Fees: Year 2009. \*\*\*

4. Annual Volume Credit. \*\*\*

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\*\*\* indicates redacted text

5. \*\*\*

**Amendment to Territory License No. 7**

6. Section VIII of Territory License No. 7 is amended and restated in its entirety as follows:

\*\*\*

\*\*\* indicates redacted text

**Exhibit 10.32(c)**  
**NT CONFIDENTIAL**

**SEVENTH AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Seventh Amendment (“Amendment”) to the Data License Agreement dated July 1, 1999 (“Agreement”), by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 (“Garmin”) and NAVTEQ North America, LLC (formerly named Navigation Technologies North America, LLC and formerly Navigation Technologies Corporation), a Delaware organization, with offices at The Merchandise Mart, Suite 900, Chicago, Illinois 60654 (“NT”), is entered into as of March 1, 2004 (“Effective Date”).

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement with this Amendment,

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: V.P. and General Counsel  
Date: 6-1-04

By: /s/ Min H. Kao  
Name: Min H. Kao  
Title: President  
Date: 5/11/2004

NAVTEQ B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Chris Peters  
Name: Chris Peters  
Title: V.P. Finance Europe  
Date: 1 June 2004

By: /s/ Min H. Kao  
Name: Min H. Kao  
Title: President  
Date: 5/11/2004



The terms and conditions of the Agreement remain in full force and effect except as modified hereunder. The Agreement and Territory License No. 8 are hereby amended as follows:

***Terms and Conditions***

**Amendment to the Sixth Amendment to the Data License Agreement**

1. Section 3(d) of the Sixth Amendment is amended and restated in its entirety as follows:

“3(d). Conditional Right to Extend Term. To the extent that the Prepayment is not fully exhausted under Section 3(c) above by the end of calendar year 2009, then LICENSEE shall have the right to extend the term of this Agreement and Territory License No. 8 by one year (through December 31, 2010) by sending written notice of such extension to NT no later than October 31, 2009, and such unused amount may be applied to license fees due under such Territory License No. 8 for calendar year 2010. In the case of such extension, the license fees defined in the Agreement for 2009 shall apply to 2010.”

**Amendment to Territory License No. 8**

2. Section I.C of Exhibit C of Territory License No. 8 is amended and restated in its entirety as follows, effective as of the Effective Date of Territory License No. 8:

“C. \*\*\*

\*\*\* indicates redacted text

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LICENSEE shall reflect its use of the above Discount Factor in its License Fee Reports submitted to NT pursuant to section XIII.A.”.”

2

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**Exhibit 10.32(d)**  
**NT CONFIDENTIAL**

**TWENTIETH AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Twentieth Amendment (“Amendment”) to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 (“Client”) and NAVTEQ North America, LLC, a Delaware organization, with offices at The Merchandise Mart, Suite 900, Chicago, Illinois 60654, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, “NT”), is entered into as of the date of the last signature below (the “Effective Date”).

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 2/27/07

By: /s/ Cliff Pemble  
Name: Cliff Pemble  
Title: Director  
Date: 3-20-07

NAVTEQ B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 2/27/07

By: /s/ Cliff Pemble  
Name: Cliff Pemble  
Title: Director  
Date: 3-20-07

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

***Terms and Conditions***

1. The following shall be added as a new Section 4.4 to the Agreement:

“4.4 Evaluation License for Other Data. With respect to any geographic and related content that NT generally makes available for use by its customers and that NT has not already licensed to Client for commercial use (“Other Content”), NT hereby grants Client a non-exclusive, non-transferable, restricted right during the Term to evaluate such Other Content and related documentation solely in its internal operations for possible licensing from NT. NT will deliver samples of such Other Content to Client upon Client’s request, and Client shall return such Other Content to NT upon the earlier of the termination or expiration of this Agreement or NT’s request. Client agrees not to (a) disclose or distribute such Other Content to any third parties, or (b) commercialize any products based on such Other Content without first entering into a definitive written agreement with NT for the same. Client acknowledges that certain Other Content may only be available for evaluation subject to additional terms and conditions.”

**TWENTY-FIRST AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Twenty-First Amendment (“Amendment”) to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 (“Licensee”) and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, “NT”), is entered into as of October 1, 2007 (the “Effective Date”).

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and the Amended and Restated Territory License No. 8 executed in connection therewith (“TL 8”) with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 10/29/2007

By: /s/ Clifton A. Pemble  
Name: Clifton A. Pemble  
Title: Director  
Date: 10/26/07

NAVTEQ B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 10/29/2007

By: /s/ Clifton A. Pemble  
Name: Clifton A. Pemble  
Title: Director  
Date: 10/26/07

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

***Terms and Conditions***

1. The following sentence is hereby inserted at the end of Section II of TL 8:

“\*Data for Moldova may not be distributed to End-Users in Moldova and Data for Ukraine may not be distributed in Ukraine. Licensee agrees that it shall not export Copies of the Data for Moldova or Ukraine into each such country.”

2. The following sentence is hereby inserted at the end of Section III.A (“Content”) of TL 8:

“Phonetic Data is available from NT for the countries identified in Exhibit H.”

3. The following is hereby added as a new Section XII.L of TL 8:

\*\*\*

\*\*\* indicates redacted text

\*\*\* Exhibit A of TL 8 is hereby amended to include the following POI categories as and when each such category is made generally available by NT as part of the core set of POIs:\*\*\*

5. The definitions in Exhibit B of TL 8 are hereby amended by replacing the definitions of \*\*\* as follows:

\*\*\*

6. The definitions in Exhibit B of TL 8 are further amended by adding the following to the end of the \*\*\* definition:

\*\*\*

7. The definitions in Exhibit B of TL 8 are further amended by adding the following new definitions:

\*\*\*

8. NT hereby agrees to \*\*\*

9. Section I.A.3 of Exhibit C of TL 8 is hereby amended by adding the following to the end of that section:

\*\*\*

10. Section I.B.2(v) \*\*\* in Exhibit C of TL 8 is hereby amended by adding the following to the end of that section

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\*\*\* indicates redacted text

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11. \*\*\*

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12. \*\*\*

13. TL 8 is further amended to attach Exhibit H attached hereto as Exhibit H to TL 8

\*\*\* indicates redacted text

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#### **EXHIBIT H**

##### **\*\*\* - AVAILABLE COUNTRIES (as of October 1, 2007)**

\*\*\* is available from NT for the following countries in the Territory:

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NT may add countries to such list from time to time upon notice to Client.

\*\*\* indicates redacted text

**TWENTY-SECOND AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Twenty-second Amendment ("Amendment") to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 ("Licensee") and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, "NT"), is entered into as of October 1, 2007 (the "Effective Date").

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and Territory License No. 15 executed in connection therewith ("TL 15") with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: SVP & General Counsel

Title: Director

Date: 10/29/07

Date: 10/26/07

NAVTEQ B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: SVP & General Counsel

Title: Director

Date: 10/29/07

Date: 10/26/07

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

***Terms and Conditions***

1. Section II of TL 15 is hereby amended to include the following additional countries: \*\*\* \*\*.
2. The following is hereby added as a new Section XII.H of TL 15:

\*\*\*

3. Section XII.B of TL 15 (\*\*\*) is hereby amended by deleting it in its entirety and replacing it with the following:

\*\*\*

\*\*\* indicates redacted text

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4. The definitions in Exhibit A of TL 15 are hereby amended by replacing the definitions of \*\*\* as follows:

\*\*\*

5. The definitions in Exhibit A of TL 15 are hereby amended by adding the following as additional definitions:

\*\*\*

6. \*\*\*

7. The Per Copy License Fees otherwise due under TL 15 are \*\*\*.

\*\*\* indicates redacted text

2

**Exhibit 10.32(g)**  
**NT CONFIDENTIAL**

## **TWENTY-THIRD AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Twenty-Third Amendment ("Amendment") to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 ("Licensee") and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, "NT"), is entered into as of October 1, 2007 (the "Effective Date").

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and Territory License No. 16 ("TL 16") executed in connection therewith with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: SVP & General Counsel

Title: Director

Date: 10/30/07

Date: 10/29/07

NAVTEQ B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: SVP & General Counsel

Title: Director

Date: 10/30/07

Date: 10/29/07

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

***Terms and Conditions***

1. The following terms and conditions amend the terms and conditions of TL 16 solely in connection with Copies distributed for use as part of \*\*\*

\*\*\*

**Schedule A**

\*\*\*

\*\*\* indicates redacted text

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\*\*\* indicates redacted text

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**Exhibit 10.1(h)**  
**NT CONFIDENTIAL**

**TWENTY-FOURTH AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Twenty-Fourth Amendment ("Amendment") to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 ("Licensee") and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, "NT"), is entered into as of October 1, 2007 (the "Effective Date").



WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and Territory License No. 16 ("TL 16") executed in connection therewith with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: SVP & General Counsel

Title: Director

Date: 10/30/07

Date: 10/29/07

NAVTEQ B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: SVP & General Counsel

Title: Director

Date: 10/30/07

Date: 10/29/07

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

***Terms and Conditions***

1. The following is hereby added as a new Section IX.G in TL 16:

\*\*\*

2. Exhibit A of TL 16 is hereby amended to include the following POI categories as and when each such category is made generally available by NT as part of the core set of POIs \*\*\*

3. The definitions in Exhibit B of TL 16 are hereby amended by replacing the definition of \*\*\* as follows:

\*\*\* indicates redacted text

\*\*\*

4. The definitions in Exhibit B of TL 16 are further amended by adding the following new definitions:

\*\*\*

5. Section II.A(v) \*\*\* in Exhibit C of TL 16 is hereby amended by adding the following to the end of that section

\*\*\*

6. Exhibit C of TL 16 is hereby further amended by adding the following as a new Section II.A(ix):

“(ix) Surcharge for \*\*\*

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7. TL 16 is further amended to attach Exhibit H attached hereto as Exhibit H to TL 16

\*\*\* indicates redacted text

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## **EXHIBIT H**

\*\*\*- **AVAILABLE COUNTRIES**

**(as of October 1, 2007)**

\*\*\* is available from NT for the following countries in the Territory:

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NT may add countries to such list from time to time upon notice to Client.

\*\*\* indicates redacted text

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**Exhibit 10.32(i)**  
**NT CONFIDENTIAL**

## TWENTY-FIFTH AMENDMENT TO THE DATA LICENSE AGREEMENT

This Twenty-Fifth Amendment (“Amendment”) to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 (“Licensee”) and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, “NT”), is entered into as of December 1, 2007 (the “Effective Date”).

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and the Amended and Restated Territory License No. 11 (“TL 11”) executed in connection therewith with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan

By: /s/ Cliff Pemble

Name: Lawrence M. Kaplan

Name: Cliff Pemble

Title: SVP and General Counsel

Title: Director

Date: 12-24-07

Date: Dec. 20, 2007

NAVTEQ EUROPE B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan

By: /s/ Cliff Pemble

Name: Lawrence M. Kaplan

Name: Cliff Pemble

Title: SVP and General Counsel

Title: Director

Date: 12-24-07

Date: Dec. 20, 2007

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

### *Terms and Conditions*

1. Section II “Territory” is hereby deleted in its entirety and replaced with the following:

II. Territory (check applicable geographic areas; each is a separate “Territory”).

\*\*\*

\* Data for Moldova may not be distributed to End-Users in Moldova and Data for Ukraine may not be distributed in Ukraine. Licensee agrees that it shall not export Copies of the Data for Moldova or Ukraine into each such country.

\*\* Licensee may not export or in any way transfer Data for the Republic of Korea outside of the Republic of Korea.”

2. Section III “Data Content & Quality” is hereby amended by deleting the last three sentences thereof and replacing them with the following:

“The Data for World Markets (as defined in Exhibit B) is the geographic data for each country as developed and generally released by NT for use in the type of Application authorized hereunder, up to Standard Data. \*\*\* Data for World Markets. Data for certain countries or areas of a Territory may not be completed and/or may not be produced within the TL Term, and will only be available hereunder upon general release by NT following completion.”

\*\*\* Exhibit A is hereby amended by deleting Section II.C \*\*\* in its entirety. \*\*\*

\*\*\* indicates redacted text

4. Exhibit A is hereby amended by adding the following as a new Section II.G:

\*\*\*

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5. Exhibit A is hereby amended by adding the following as a new Section II.H:

“H. Special Pricing – \*\*\*

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(d) \*\*\* shall mean any \*\*\*

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Exhibit 10.32(i)  
NT CONFIDENTIAL

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\*\*\* \*\*\*, \*\*\*

\*\*\* Exhibit D of TL 11 is hereby amended to move the \*\*\*

12. TL 11 is further amended to replace Exhibit F \*\*\* attached thereto \*\*\* with Exhibit F attached hereto.

\*\*\* indicates redacted text

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Exhibit 10.32(i)  
NT CONFIDENTIAL

Table 1  
Base License Fees - \*\*\*

***									
***	***	***	***	***	***	***	***	***	***
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Table 2  
Base License Fees - \*\*\*

***	***						
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Table 3  
Base License Fees - \*\*\*

***	***							***	***	***
	***	***	***	***	***	***	***			
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***	***	***	***	***	***	***	***	***	***	***
***	***	***	***	***	***	***	***	***	***	***
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\*\*\* indicates redacted text

Table 4  
Base License Fees - \*\*\*

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**Table 5**  
**Base License Fees - \*\*\***

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## EXHIBIT F

### ADDITIONAL CONTENT SCHEDULE

The Data shall include the following Additional Content, which Additional Content shall be subject to the terms and conditions and pricing as provided herein. \*\*\*. Additional Content is only licensed hereunder for Regions for which pricing is provided herein, except as otherwise expressly noted.

\*\*\*

Certain Additional Content may not be completed and/or may not be produced within the TL Term or ever, and will only be available hereunder upon general release by NT following completion. Additional Content may not be available for all countries or areas. NT reserves the right to remove Additional Content upon reasonable notice to Licensee. \*\*\*

The Additional Content licensed hereunder shall be as follows:

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Description: \*\*\* as made available by NT from time to time.

License Fees: The license fees are as set forth below. \*\*\*

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Description. \*\*\*

License Fees: The license fees are as set forth below. \*\*\*

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Description: \*\*\*

License Fees: The license fees are as set forth below. \*\*\*

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Description: \*\*\*

License Fees: The license fees are as set forth below. \*\*\*

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Description: \*\*\*

License Fees: The license fees are as set forth below. \*\*\*

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7. \*\*\*

Description: \*\*\*

Additional Provisions:

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License Fees: Brand Icons \*\*\*

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8. \*\*\*

Description: “\*\*\*” as and when made available by NT.

License Fees: License Fees for \*\*\* shall be as follows:

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9. \*\*\*

Description: \*\*\*, and will only be available hereunder upon general release by NT following completion.

License Fees. The License Fees for the \* Content shall be as follows:

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9. \*\*\* Content (con't)

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10. \*\*\* Content

Description\*\*\*

License Fees. License Fees shall be as determined from the tables below for \*\*\*

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10. \*\*\*

Description: \*\*\* as made generally available by NT.

License Fees\*\*\*

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11. NAVTEO Traffic Patterns

Description: “NAVTEQ Traffic Patterns \*\*\* as and when made available by NT .

License Fees. NAVTEQ Traffic Patterns license fees for \*\*\*

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**12. \*\*\***

Description: \*\*\* as and when made available by NT.

License Fees \*\*\*

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**TWENTY-SIXTH AMENDMENT TO THE DATA LICENSE AGREEMENT**

This Twenty-Sixth Amendment (“Amendment”) to the Data License Agreement dated July 1, 1999 (“Agreement”), by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 (“Licensee”) and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, “NT”), is entered into as of the date of the last signature below (the “Effective Date”).

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and the Amended and Restated Territory License No. 8 (“TL 8”), the Amended and Restated Territory License No. 11 (“TL 11”), Territory License No. 15 (“TL 15”) and Territory License No. 16 (“TL16”) executed in connection therewith with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

By: /s/ Judson C. Green

Name: Judson C. Green \_\_\_\_\_

Title: President and Chief Executive Officer \_\_\_\_\_

Date: 11-15-07 \_\_\_\_\_

NAVTEQ EUROPE B.V.

By: /s/ Judson C. Green

Name: Judson C. Green \_\_\_\_\_

Title: President and Chief Executive Officer \_\_\_\_\_

Date: 11-15-07 \_\_\_\_\_

GARMIN CORPORATION

By: /s/ Clifton Pemble

Name: Clifton Pemble \_\_\_\_\_

Title: President and Chief Operating Officer \_\_\_\_\_

Date: 11/15/2007 \_\_\_\_\_

GARMIN INTERNATIONAL, INC.

By: /s/ Clifton Pemble

Name: Clifton Pemble \_\_\_\_\_

Title: President and Chief Operating Officer \_\_\_\_\_

Date: 1/15/2007 \_\_\_\_\_

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

***Terms and Conditions***

1. Expiration Date. The Expiration Date for the Agreement, TL 8, TL 11, TL 15 and TL 16 shall be hereby extended to December 31, 2015 (the "Initial Term"). In addition, Licensee may, at its option, extend such Expiration Date until December 31, 2019 provided Licensee provides NT with written notice thereof within no less than 180 days prior to the end of the Initial Term,
2. Annual Volume Credit. Section 4 of the Sixth Amendment dated as of March 1, 2004 is hereby deleted in its entirety and replaced with the following:

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3. The Agreement and TL 8 are hereby amended to make the following modifications, which modifications shall be effective as of January 1, 2010:
- Section XII.B (“\*\*\* Terms and Conditions”) and Section XII.F in TL 8 (“Customer Pricing Option”) shall be deleted in their entirety.
  - Tables 1 and 2 in Exhibit C in TL 8 shall be deleted in its entirety and replaced with Tables 1 and 2 attached hereto as Exhibit A.
  - The License Fee calculation example in the second paragraph of Section I in Exhibit. C in TL 8 shall be deleted.
  - Section I.B(ii) “\*\*\*” in Exhibit C in TL8 shall be deleted in its entirety and replaced with the following: “(ii) \*\*\*. The Base Fees set forth in Table 1 above for the following Application Types are subject to the following discount:

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- TL 8 is hereby amended by deleting Section I.B.2(ix) “\*\*\*” in Exhibit C in its entirety.
- TL 16 is hereby amended by deleting Section II.A(viii) “\*\*\*” in Exhibit C in its entirety.
- \*\*\*

\*\*\* Article 16 of the Agreement shall be amended to add the following sentences after the existing second sentence of Article 16:  
 “Except as expressly agreed by the parties in writing, under no circumstances shall NT disclose Licensee Confidential Information to Nokia Corporation, Nokia, Inc. or any of their respective subsidiaries or affiliates other than NAVTEQ Corporation and its direct and indirect subsidiaries\*\*\*

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### Exhibit A

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## TWENTY-SEVENTH AMENDMENT TO THE DATA LICENSE AGREEMENT

This Twenty-Seventh Amendment ("Amendment") to the Data License Agreement dated July 1, 1999, by and between Garmin Corporation, a Taiwan Corporation with offices at No. 68, Jangshu 2<sup>nd</sup> Road, Shijr, Taipei, Taiwan, and Garmin International, Inc., a Kansas corporation, with offices at 1200 East 151<sup>st</sup> Street, Olathe, Kansas 66062 ("Licensee") and NAVTEQ North America, LLC, a Delaware organization, with offices at 425 W. Randolph Ave., Chicago, Illinois 60606, and NAVTEQ BV., a Netherlands corporation, with offices at De Run 1115, LB Veldhoven, 5503, The Netherlands (collectively, "NT"), is entered into as of the date of the last signature below (the "Effective Date").

WHEREAS, the parties hereto desire to amend the terms and conditions of the Agreement and the Amended and Restated Territory License No. 8 executed in connection therewith ("TL 8") with this Amendment;

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their authorized representatives.

NAVTEQ NORTH AMERICA LLC

By: /s/ Lawrence M. Kaplan

Name: Lawrence M. Kaplan \_\_\_\_\_

Title: SVP and General Counsel \_\_\_\_\_

Date: 12-24-07 \_\_\_\_\_

GARMIN CORPORATION

By: /s/ Cliff Pemble

Name: Cliff Pemble \_\_\_\_\_

Title: Director \_\_\_\_\_

Date: Dec. 20, 2007 \_\_\_\_\_

NAVTEQ EUROPE B.V.

By: /s/ Lawrence M. Kaplan

Name: Lawrence M. Kaplan \_\_\_\_\_

Title: SVP and General Counsel \_\_\_\_\_

Date: 12-24-07 \_\_\_\_\_

GARMIN INTERNATIONAL, INC.

By: /s/ Cliff Pemble

Name: Cliff Pemble \_\_\_\_\_

Title: Director \_\_\_\_\_

Date: Dec. 20, 2007 \_\_\_\_\_

The terms and conditions of the Agreement remain in full force and effect except as modified hereunder.

### *Terms and Conditions*

1. The definitions in Exhibit B of TL 8 are hereby amended by adding the following new definition:  
"NAVTEQ Traffic Patterns" \*\*\*; \*\*\* as and when made such information is made generally available by NT
2. Exhibit C of TL 8 is hereby amended by adding the following as a new Section 1.B.2(xi):

"(xi) \*\*\* NAVTEQ Traffic Patterns. The use of NAVTEQ Traffic Patterns shall be permitted hereunder \*\*\*

\*\*\* indicates redacted text

**SCHEDULE**  
**AMENDED AND RESTATED TERRITORY LICENSE NO. 8**

**Quick Reference Title:**

\*\*\* (NA & EU)

Pursuant to ARTICLE 4 of the Data License Agreement between NT and LICENSEE dated as of the Effective Date identified therein and reiterated below (“Agreement”), NT (acting also on behalf of its subsidiary Navigation Technologies B.V., collectively “NT”) and LICENSEE hereby agree to the following amended terms and conditions which, upon the execution of this Schedule, shall replace and supersede Territory License No. 8 under the Agreement.

The parties agree that as of the Effective Date of this Amended and Restated Territory License No. 8 (“TL 8”), the following amendments to the Data License Agreement shall be superseded by this Amended and Restated Territory License No. 8 and such amendments shall thus be of no further force or effect: Seventh amendment to the Data License Agreement (to the extent such amendment pertains to Territory License No. 8), Eighth Amendment to the Data License Agreement, Ninth Amendment to the Data License Agreement, Tenth Amendment to the Data License Agreement, Fourteenth Amendment to the Data License Agreement (to the extent such amendment pertains to Territory License No. 8), Seventeenth Amendment to the Data License Agreement, Eighteenth Amendment to the Data License Agreement and Nineteenth Amendment to the Data License Agreement.

I. Parties & Term.

LICENSEE:

GARMIN CORPORATION and GARMIN INTERNATIONAL, INC.

Effective Date of Agreement:

1 July 1999

Effective Date of Territory License:

1 January 2007

Expiration Date of Territory License:

31 December 2009

II. Licensed Territory (check applicable geographic areas, each a separate “Licensed Territory”).

\*\*\*

III. Licensed NAVTEQ Data. \*\*\*

- A. Content: Detailed City/Inter-Town Data. Subject to ARTICLE 7 of the Agreement, the NAVTEQ Data licensed hereunder is \*\*\*
- B. Use of POIs: LICENSEE shall identify in its License Fee reports to NT those Copies/Electronic Files that contain any NT POIs \*\*\*
- C. Form of Delivery: The NAVTEQ Data delivered by NT to LICENSEE hereunder shall be separated into files corresponding to either NT’s then-existing standard data coverage areas (“DCAs”) pertaining to the Licensed Territory or such other geographic coverage areas pertaining to the Licensed Territory as NT in its sole discretion may make available to LICENSEE for the licensed NAVTEQ Data. NT reserves the right to change the geographic areas contained in the DCAs, and the number of such DCAs, at any time.

\*\*\* indicates redacted text

In the event that any such deliveries include NAVTEQ Data for geographic areas outside of the Licensed Territory ("Unlicensed Data"), LICENSEE shall refrain from using and/or distributing such Unlicensed Data and any information based on or derived there from.

\*\*\*

IV. Application.\*\*\* Applications, as defined in Exhibit B hereto.

V. Use Rights: Pursuant to Section 4.1 of the Agreement, LICENSEE' s Use Rights are limited to:

\*\*\*

VI. License Fees to NT. LICENSEE shall pay NT license fees in the amounts and on the due dates set forth in Exhibit C hereto. LICENSEE shall also pay NT \*\*\* royalties in accordance with Section XII(G) below.

VII. Price Index Pursuant to Section 5.6 of Agreement: None.

VIII. A.

IX. **[RESERVED]**

X. Currency. U.S. Dollars.

XI. End-User Terms. Attached as Exhibit D.

XII. Special Provisions.

A. Reporting. The License Fee Report required under Section 5.8 of the Agreement shall be in the form of,

\*\*\* indicates redacted text

and contain the information specified in, Exhibit E attached hereto; provided, however, that, notwithstanding anything to the contrary in this Territory License or the Agreement and to the extent available to LICENSEE, LICENSEE shall report the name and address of the End User of the Application for all \*\*\*

B. \*\*\*

C. Use of Certain Traffic Codes in Western Europe.

1. General Restrictions Applicable to Traffic Codes. LICENSEE acknowledges and agrees that in certain countries of the Licensed Territory (of Western Europe), LICENSEE will need to obtain rights directly from third party RDS-TMC code providers to receive and use the Traffic Codes in the NAVTEQ Data and to deliver to End-Users Transactions in any way derived from or based on such Traffic Codes. For such countries, NT shall deliver the NAVTEQ Data incorporating Traffic Codes to LICENSEE only after receiving certification from LICENSEE of its having obtained such rights.

2. Display of Third Party Rights Legend for Belgium. LICENSEE shall, for each Transaction that uses Traffic Codes for Belgium, provide the following notice to the End-User: "Traffic

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**Exhibit 10.32(I)**  
**NT CONFIDENTIAL**

Information is provided by the Ministerie van de Vlaamse Gemeenschap and the Ministère de l' Equipement et des Transports."

D. Additional Packaging Requirements. \*\*\*

E. Use of LICENSEE Marks. NT may display LICENSEE' s trade name, trademark(s), logo(s), and company and product descriptions and similar information and designations (collectively "LICENSEE Marks"), relating to Applications licensed hereunder which use the NAVTEQ Data, on web pages, in advertisements, brochures, exhibits and other marketing and promotional material of NT (collectively "NT Collateral"). During the term of this Agreement, LICENSEE grants NT a non-exclusive, non-transferable, non-sublicensable right to use LICENSEE Marks as permitted in the preceding sentence. Nothing stated herein shall constitute a grant or other transfer to NT of any right, title or interest in LICENSEE Marks. Upon termination or expiration of this Agreement for any reason, NT shall immediately cease all use of LICENSEE Marks.

F. \*\*\*

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**Exhibit 10.32(I)**  
**NT CONFIDENTIAL**

G. \*\*\*

H. Sales Forecast. \*\*\*

I. \*\*\*

J. \*\*\*

K. \*\*\*

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**Exhibit 10.32(I)**  
**NT CONFIDENTIAL**

NAVTEQ NORTH AMERICA., LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan

By: /s/ Min H. Kao

Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 1-30-07

Name: Min H. Kao  
Title: President  
Date: Jan. 26, 2007

NAVTEQ EUROPE B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan

By: /s/ Min H. Kao

Name: Lawrence M. Kaplan

Name: Min H. Kao

Title: SVP and General Counsel

Title: President

Date: 1-30-07

Date: Jan. 26, 2007

**EXHIBIT A**

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EXHIBIT B

APPLICATION

Subject to the restrictions below, \*\*\* means any of the following Applications:

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**Definitions:**

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

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**Restrictions**

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

**EXHIBIT C**  
**LICENSE FEES**

\*\*\* The license fees for each Copy/Electronic File (the “Per Copy License Fee”) for \*\*\* Applications is the applicable base license fee for each Copy/Electronic File as determined from the applicable table \*\*\*

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A. \*\*\*

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

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III. Due Dates. Notwithstanding anything to the contrary in this Agreement, license fees for each Copy and Electronic File shall be due on the last day of the calendar month following the month in which the Copy or Electronic File was initially distributed or upgraded for use with a licensed Application. LICENSEE shall pay an initial license fee for each

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LICENSEE shall provide License Fee reports to NT reflecting Copies and Electronic Files distributed in LICENSEE' s prior fiscal month by the 10<sup>th</sup> day of each calendar month. Each year, LICENSEE shall provide NT with a listing of the dates in each fiscal period. Also, upon reasonable notice, no more than once per calendar quarter, LICENSEE shall provide to NT a second License Fee report to reconcile the difference between the actual calendar and LICENSEE' s fiscal calendar.

**EXHIBIT D**  
**END-USER TERMS**

The data ("Data") is provided for your personal, internal use only and not for resale. It is protected by copyright, and is subject to the following terms and conditions which are agreed to by you, on the one hand, and [LICENSEE] ("[LICENSEE]") and its licensors (including their licensors and suppliers) on the other hand.

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The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen' s Printer for Ontario, © Canada Post Corporation, GeoBase®

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**TERMS AND CONDITIONS**

You agree to use this Data together with [insert name of LICENSEE' s authorized Application] for solely personal use, or, if applicable, for use in your business' internal operations, and not for service bureau, time-sharing or other similar purposes. Accordingly, but subject to the restrictions set forth in the following paragraphs, you may copy this Data only as necessary for your use to (i) view it, and (ii) save it, provided that you do not remove any copyright notices that appear and do not modify the Data in any way. You agree not to otherwise reproduce copy, modify, decompile, disassemble or reverse engineer any portion of this Data, and may not transfer or distribute it in any form, for any purpose, except to the extent permitted by mandatory laws. Multi-disc sets may only be transferred or sold as a complete set as provided by [LICENSEE] and not as a subset thereof.

**Restrictions.** Except where you have been specifically licensed to do so by [LICENSEE], and without limiting the preceding paragraph, you may not use this Data with any products, systems, or applications installed or otherwise connected to or in communication with vehicles and which are capable of dispatch, fleet management or similar applications where the Data is used by a central control center in dispatching a fleet of vehicles.

**Warning.** The Data may contain inaccurate or incomplete information due to the passage of time, changing circumstances, sources used and the nature of collecting comprehensive geographic data, any of which may lead to incorrect results.

**No Warranty.** This Data is provided to you "as is," and you agree to use it at your own risk. [LICENSEE] and its licensors (and their licensors and suppliers) make no guarantees, representations or warranties of any kind, express or implied, arising by law or otherwise, including but not limited to, content, quality, accuracy, completeness, effectiveness, reliability, fitness for a particular purpose, usefulness, use or results to be obtained from this Data, or that the Data or server will be uninterrupted or error-free.

Disclaimer of Warranty: [LICENSEE] AND ITS LICENSORS (INCLUDING THEIR LICENSORS AND SUPPLIERS) DISCLAIM ANY WARRANTIES, EXPRESS OR IMPLIED, OF QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. Some States, Territories and Countries do not allow certain warranty exclusions, so to that extent the above exclusion may not apply to you.

Disclaimer of Liability: [LICENSEE] AND ITS LICENSORS (INCLUDING THEIR LICENSORS AND SUPPLIERS) SHALL NOT BE LIABLE TO YOU: IN RESPECT OF ANY CLAIM, DEMAND OR ACTION, IRRESPECTIVE OF THE NATURE OF THE CAUSE OF THE CLAIM, DEMAND OR ACTION ALLEGING ANY LOSS, INJURY OR DAMAGES, DIRECT OR INDIRECT, WHICH MAY RESULT FROM THE USE OR POSSESSION OF THE INFORMATION; OR FOR ANY LOSS OF PROFIT, REVENUE, CONTRACTS OR SAVINGS, OR ANY OTHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF YOUR USE OF OR INABILITY TO USE THIS INFORMATION, ANY DEFECT IN THE INFORMATION, OR THE BREACH OF THESE TERMS OR CONDITIONS, WHETHER IN AN ACTION IN CONTRACT OR TORT OR BASED ON A WARRANTY, EVEN IF [LICENSEE] OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Some States, Territories and Countries do not allow certain liability exclusions or damages limitations, so to that extent the above may not apply to you.

Export Control. You agree not to export from anywhere any part of the Data provided to you or any direct product thereof except in compliance with, and with all licenses and approvals required under, applicable export laws, rules and regulations.

Entire Agreement. These terms and conditions constitute the entire agreement between [LICENSEE] (and its licensors, including their licensors and suppliers) and you pertaining to the subject matter hereof, and supersedes in their entirety any and all written or oral agreements previously existing between us with respect to such subject matter.

Governing Law. The above terms and conditions shall be governed by the laws of the State of Illinois [insert "Netherlands" where European NAVTEQ Data is used], without giving effect to (i) its conflict of laws provisions, or (ii) the United Nations Convention for

Contracts for the International Sale of Goods, which is explicitly excluded. You agree to submit to the jurisdiction of the State of Illinois [insert "The Netherlands" where European NAVTEQ Data is used] for any and all disputes, claims and actions arising from or in connection with the Data provided to you hereunder.

Government End Users. If the Data is being acquired by or on behalf of the United States government or any other entity seeking or applying rights similar to those customarily claimed by the United States government, **the Data** is a "commercial item" as that term is defined at 48 C.F.R. ("FAR") 2.101, is licensed in accordance with **the End-User Terms under which this Data was provided**, and each copy of the Data delivered or otherwise furnished shall be marked and embedded as appropriate with the following "Notice of Use," and shall be treated in accordance with such Notice:

**NOTICE OF USE**

CONTRACTOR (MANUFACTURER/ SUPPLIER) NAME: NAVTEQ

CONTRACTOR (MANUFACTURER/SUPPLIER) ADDRESS: 222 Merchandise Mart Plaza, Suite 900, Chicago, Illinois 60654

This Data is a commercial item as defined in FAR 2.101 and is subject to **the End-User Terms** under which this Data was provided.

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**Exhibit 10.32(l)**  
**NT CONFIDENTIAL**

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Exhibit 10.32(m)



**AMENDED AND RESTATED TERRITORY LICENSE NO. 11**

**Quick Reference Title:\*\*\***

Pursuant to the Data License Agreement between NT and Client dated as of the Effective Date identified therein and reiterated below (“**Agreement**”), NT and Client hereby agree to the following additional terms and conditions which, upon the execution of this Amended and Restated Territory License No. 11, shall replace and supersede Territory License No. 11 dated as of June 1, 2005. Capitalized terms not otherwise defined in the Agreement or within the body of this TL (including any exhibits or attachments hereto) shall have the meanings set forth in Exhibit B hereto.

Client:	Garmin Corporation and Garmin International Incorporated
Effective Date of Agreement:	July 1, 1999
Effective Date of Territory License:	Date of Last Signature Below

**I. Territory License Term**

The term of this TL shall commence on the Effective Date of this TL and continue until December 31, 2009, unless terminated as provided in the Agreement (“**TL Term**”).

Both parties have executed this Agreement by their duly authorized officers as of the Effective Date.

NAVTEQ NORTH AMERICA, LLC.  
**11** By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: Senior VP, General Counsel & Secretary  
Date: 7/2/07

GARMIN CORPORATION  
By: /s/ Clifton A. Pemble  
Name: Clifton A. Pemble  
Title: Director  
Date: 6/14/2007

NAVTEQ EUROPE B.V.  
By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 7/2/07

GARMIN INTERNATIONAL INCORPORATED  
By: /s/ Clifton A. Pemble  
Name: Clifton A. Pemble  
Title: Director  
Date: 6/14/2007

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II. Territory (check applicable geographic areas; each is a separate “Territory”).

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\* Data for Moldova may not be distributed to End-Users in Moldova and Data for Ukraine may not be distributed in Ukraine. Client agrees that it shall not export Copies of the Data for Moldova or Ukraine into each such country.

III. Data Content & Quality.

Standard Data. The Data for US/Canada and Europe is NAVTEQ Standard Data, plus the Additional Content listed in Exhibit F. Standard Data shall mean the features and attributes specified in \*\*\*. Standard Data shall further include additional content generally released by NT from time to time for which NT does not charge, in its sole discretion, additional license fees (“**Add-Ons**”); NT shall be under no obligation to release such additional content. \*\*\* Data for certain countries or areas of a Territory may not be completed and/or may not be produced within the TL Term, and will only be available hereunder upon general release by NT following completion.

IV. Application.

Permitted Applications, as further described in Exhibit A.

V. Licensed Use. Use of the Data is limited to:

- A. \*\*\*
- B. \*\*\*
- C. \*\*\*

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VI. Fees to NT.

- A. License Fees. License fee amounts are determined on a \*\*\* basis and are as set forth in Exhibit A hereto (“License Fees”).
- B. License Fee Reports & Due Dates. Client shall provide License Fee reports to NT reflecting Transactions and Subscriptions provided in Client’s prior fiscal month by the 10<sup>th</sup> day of each calendar month. Each year, Client shall provide NT with a listing of the dates in each fiscal period. Also, upon reasonable notice, no more than once per calendar quarter, Client shall provide to NT a second License Fee report to reconcile the difference between the actual calendar and Client’s fiscal calendar. Following receipt of each such report, NT shall invoice Client for the amounts due. License Fees shall be due and paid by the 30<sup>th</sup> day following the date of the invoice from NT unless the License Fee report was not received by NT within the due dates specified above in which case the License Fees shall be due and paid by the 30<sup>th</sup> day following the due date of the License Fee Report.

VII. \*\*\*

- A. \*\*\*

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VIII. Currency. U.S. Dollars. Client shall convert non-US Dollar license fees as identified herein into US Dollars by using the *Federal Reserve Statistical Release Foreign Exchange Rates* ([http://www.federalreserve.gov/releases/h10/Hist/dat00\\_eu.htm](http://www.federalreserve.gov/releases/h10/Hist/dat00_eu.htm)). The conversion rate to be used is the conversion rate listed for the last day of the reporting period specified in this TL. Client shall include its currency conversion calculations in each License Fee Report.

- IX. End-User Terms. Attached as Exhibit C. In all instances where the Application uses, accesses, reflects or relies upon any portion of the Data to deliver information to End-Users, Client shall provide End-Users with instructions for accessing the End-User Terms and shall provide conspicuous notice to End-Users prior to their initial use of, or access to, any portion of the Data that their use thereof is subject to the End-User Terms.
- X. Additional Provisions.
- A. POI Usage (US/Canada). The Data may include POIs for the Territory of US/Canada that NT licenses from a third party. To assist NT in determining royalties that may be due to such third party, Client, upon NT's reasonable request, will fill out and submit to NT a POI Usage Form (in the form of Exhibit D) indicating whether Client is using the POIs in the Data that Client is using in the Application, and will notify NT of any subsequent change in such POI usage.
- B. NT Marks & Legends. For purposes of this TL, Client's obligations under the Agreement to display NT Marks & Legends shall be satisfied as follows:
1. Marks: displaying the NAVTEQ ON BOARD logo on or immediately adjacent to each display of a Transaction or upon launch of the Permitted Application on the End-User's Device; and
  2. Legends: displaying the applicable NT copyright notice (as specified in the NT Identity Guidelines) and third party copyright and similar notices and legends (as specified in Section 11.5 of the Agreement, the NT Identity Guidelines and/or otherwise by NT) on or immediately adjacent to each display of a Transaction or upon launch of the Permitted Application on the End-User's Device.
- C. Restrictions Against Sales Lead. NT licenses POIs for US/Canada from a third party supplier. Based on restrictions imposed on NT by such supplier: POIs included in the Data for US/Canada may not be used to generate sales lead information in the form of ASCII or other text-formatted lists of category-specific business listings which (i) include complete mailing address for each business, and (ii) contain a substantial portion of such listings for a particular county, city, state, or zip code region; provided, however, that the foregoing restriction shall not include any application where mailing address or phone numbers are provided in a bit map graphical image

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or in another non-text format.

D. \*\*\*

E. Use of Certain Traffic Codes in Europe.

1. General Restrictions Applicable to Traffic Codes. LICENSEE acknowledges and agrees that in certain countries of the Territory (of Europe), LICENSEE will need to obtain rights directly from third party RDS-TMC code providers to receive and use the Traffic Codes in the Data and to deliver to End-Users Transactions in any way derived from or based on such Traffic Codes. For such countries, NT shall deliver the Data incorporating Traffic Codes to LICENSEE only after receiving certification from LICENSEE of its having obtained such rights.
2. Display of Third Party Rights Legends for Belgium. LICENSEE shall, for each Transaction that uses Traffic Codes for Belgium, provide the following notice to the End-User: "Traffic Information is provided by the Ministerie van de Vlaamse Gemeenschap and the Ministère de l'Équipement et des Transports."

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**EXHIBIT A**  
**APPLICATION & LICENSE FEES**

- I. **Permitted Applications.** **Permitted Applications** shall consist solely of the following, each as further defined below:

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Subject to the Data Access Restrictions and all other restrictions set forth in the Agreement, the Permitted Applications shall not include Excluded Applications and, to the extent that Client has another Territory License under which Client is licensed for Applications (“Other Applications”) that would otherwise fall within the definition of Permitted Applications under this Territory License, such Other Applications shall be excluded from the license granted under this Territory License.

- II. **License Fees.** License Fees for each Territory of Data are as set forth below in the applicable License Fee table \*\*\*

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EXHIBIT B  
DEFINITIONS

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## **EXHIBIT C**

### **END-USER TERMS**

The data ("Data") is provided for your personal, internal use only and not for resale. It is protected by copyright, and is subject to the following terms and conditions which are agreed to by you, on the one hand, and [CLIENT] ("[CLIENT]") and its licensors (including their licensors and suppliers) on the other hand.

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**Restrictions.** Except where you have been specifically licensed to do so by [CLIENT], and without limiting the preceding paragraph, you may not use this Data with any products, systems, or applications installed or otherwise connected to or in communication with vehicles, and which are capable of vehicle navigation, positioning, dispatch, real time route guidance, fleet management or similar applications where the Data is used by a central control center in dispatching a fleet of vehicles.

**Warning.** The Data may contain inaccurate or incomplete information due to the passage of time, changing circumstances, sources used and the nature of collecting comprehensive geographic data, any of which may lead to incorrect results.

No Warranty. This Data is provided to you “as is,” and you agree to use it at your own risk. [CLIENT] and its licensors (and their licensors and suppliers) make no guarantees, representations or warranties of any kind, express or implied, arising by law or otherwise, including but not limited to, content, quality, accuracy, completeness, effectiveness, reliability, fitness for a particular purpose, usefulness, use or results to be obtained from this Data, or that the Data or server will be uninterrupted or error-free.

Disclaimer of Warranty: [CLIENT] AND ITS LICENSORS (INCLUDING THEIR LICENSORS AND SUPPLIERS) DISCLAIM ANY WARRANTIES, EXPRESS OR IMPLIED, OF QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. Some States, Territories and Countries do not allow certain warranty exclusions, so to that extent the above exclusion may not apply to you.

Disclaimer of Liability: [CLIENT] AND ITS LICENSORS (INCLUDING THEIR LICENSORS AND SUPPLIERS) SHALL NOT BE LIABLE TO YOU: IN RESPECT OF ANY CLAIM, DEMAND OR ACTION, IRRESPECTIVE OF THE NATURE OF THE CAUSE OF THE CLAIM, DEMAND OR ACTION ALLEGING ANY LOSS, INJURY OR DAMAGES, DIRECT OR INDIRECT, WHICH MAY RESULT FROM THE USE OR POSSESSION OF THE INFORMATION; OR FOR ANY LOSS OF PROFIT, REVENUE, CONTRACTS OR SAVINGS, OR ANY OTHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF YOUR USE OF OR INABILITY TO USE THIS INFORMATION, ANY DEFECT IN THE INFORMATION, OR THE BREACH OF THESE TERMS OR CONDITIONS, WHETHER IN AN ACTION IN CONTRACT OR TORT OR BASED ON A WARRANTY, EVEN IF [CLIENT] OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Some States, Territories and Countries do not allow certain liability exclusions or damages limitations, so to that extent the above may not apply to you.

Export Control. You agree not to export from anywhere any part of the Data provided to you or any direct product thereof except in compliance with, and with all licenses and approvals required under, applicable export laws, rules and regulations.

Entire Agreement. These terms and conditions constitute the entire agreement between [CLIENT] (and its licensors, including their licensors and suppliers) and you pertaining to the subject matter hereof, and supersedes in their entirety any and all written or oral agreements previously existing between us with respect to such subject matter.

Governing Law. The above terms and conditions shall be governed by the laws of the State of Illinois [insert “Netherlands” where European NAVTEQ Data is used], without giving effect to (i) its conflict of laws provisions, or (ii) the United Nations Convention for Contracts for the International Sale of

Goods, which is explicitly excluded. You agree to submit to the jurisdiction of the State of Illinois [insert “The Netherlands” where European NAVTEQ Data is used] for any and all disputes, claims and actions arising from or in connection with the Data provided to you hereunder.

Government End Users. If the Data is being acquired by or on behalf of the United States government or any other entity seeking or applying rights similar to those customarily claimed by the United States government, this Data is a “commercial item” as that term is defined at 48 C.F.R. (“FAR”) 2.101, is licensed in accordance with these End-User Terms, and each copy of Data delivered or otherwise furnished shall be marked and embedded as appropriate with the following “Notice of Use,” and shall be treated in accordance with such Notice:

#### **NOTICE OF USE**

CONTRACTOR (MANUFACTURER/ SUPPLIER) NAME: NAVTEQ

CONTRACTOR (MANUFACTURER/SUPPLIER) ADDRESS: 222 Merchandise Mart Plaza, Suite 900, Chicago, Illinois 60654

This Data is a commercial item as defined in FAR 2.101 and is subject to these End-User Terms under which this Data was provided.

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If the Contracting Officer, federal government agency, or any federal official refuses to use the legend provided herein, the Contracting Officer, federal government agency, or any federal official must notify NAVTEQ prior to seeking additional or alternative rights in the Data.

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**EXHIBIT D**  
**POI USAGE FORM (US/Canada)**

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**EXHIBIT E**

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The Data shall include the following Additional Content, which Additional Content shall be subject to the terms and conditions and pricing as provided in a schedule attached hereto for each applicable category of Additional Content (each an “Additional Content Schedule”).\*\*\*

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## ADDITIONAL CONTENT SCHEDULE VOICE PHONEMES

### 1. Definition

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### 2. Additional Provisions

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\*\*\* License Fees. The license fees set forth below apply for\*\*\*

**Table 1 - LICENSE FEES - \*\*\***

#### US/Canada, Mexico Territories

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***	***	***	***	***	***	***	***	***	***
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**Table 2 - LICENSE FEES - \*\*\***

#### Europe Territory

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## ADDITIONAL CONTENT SCHEDULE EXTENDED LISTING POIs

1. Definition

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2. Additional Provisions

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3. License Fees. The following license fees\*\*\*

**Table 1 - LICENSE FEES - \*\*\***

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**ADDITIONAL CONTENT SCHEDULE  
SPEED LIMITS BUNDLE**

1. Definition

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2. Additional Provisions

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\*\*\* License Fees. The license fees set forth below apply \*\*\*

**TABLE 1 - LICENSE FEES - \*\*\***

**US/Canada Territory**

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**Speed Limits FC 1-4 Bundle**

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TABLE 2 - LICENSE FEES - \*\*\*

Europe Territory

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ADDITIONAL CONTENT SCHEDULE  
2D LANDMARK FOOTPRINT

1. Definition

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2. Additional Provisions

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3. License Fees. The following license fees \*\*\*

TABLE 1 - LICENSE FEES - \*\*\*

US/Canada Territory

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**Table 2 - LICENSE FEES - \*\*\***

**Europe Territory**

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**ADDITIONAL CONTENT SCHEDULE  
ENHANCED 2D LANDMARK FOOTPRINT**

1. Definition

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2. Additional Provisions

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3. License Fees. The following license fees apply \*\*\*

**TABLE 1 - LICENSE FEES - \*\*\***

**US/Canada Territory**

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**Table 2 - LICENSE FEES - \*\*\***

**Europe Territory**

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1. Definition. \*\*\* consists of the following bundles:

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2. Additional Provisions

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\*\*\*. License Fees. The license fees set forth below apply \*\*\*

**TABLE 1 - LICENSE FEES - \*\*\***  
**US/Canada Territory**

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**Table 2 - LICENSE FEES - \*\*\* - Europe Territory**

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**Schedule**

**TERRITORY LICENSE NO. 15**

**Quick Reference Title:** \*\*\*

Pursuant to ARTICLE 4 of the Data License Agreement between NT and LICENSEE dated as of the Effective Date identified therein and reiterated below (“Agreement”), NT (acting also on behalf of its subsidiaries NAVTEQ B.V. and Picture Map International Co, Ltd., collectively “NT”) and LICENSEE hereby agree to the following additional terms and conditions which, upon the execution of this Schedule, shall become a Territory License under the Agreement

I. **Parties & Term.**

LICENSEE:	GARMIN CORPORATION and GARMIN INTERNATIONAL, INC.
Effective Date of Agreement:	July 1, 1999
Effective Date of Territory License:	January 1, 2007
Expiration Date of Territory License:	Three years following Effective Date

II. **Licensed Territory (check applicable geographic area).**

☒ \*\*\*

III. **Licensed NAVTEQ Data.** Detailed City/Inter-Town Data

- A. **Content:** Detailed City/Inter-Town Data. Subject to ARTICLE 7 of the Agreement, the NAVTEQ Data licensed hereunder is the geographic data for the Licensed Territory developed and generally released by NT for use in the type of Application(s) authorized hereunder. LICENSEE acknowledges that the NAVTEQ Data corresponding to certain portions of the Licensed Territory may not be completed and/or may not be produced during the term of this Agreement or ever and will only be available to LICENSEE as otherwise provided in this Agreement upon general release after completion. \*\*\* NAVTEQ Data licensed under this Territory License shall be delivered only upon LICENSEE’s written request and LICENSEE shall make such request only if it has a definitive intent to use such NAVTEQ Data in its Application. \*\*\*
- B. **Form of Delivery:** The NAVTEQ Data delivered by NT to LICENSEE hereunder shall be separated into files corresponding to either NT’s then-existing standard data coverage areas (“DCAs”) pertaining to the Licensed Territory or

such other geographic coverage areas pertaining to the Licensed Territory as NT in its sole discretion may make available to LICENSEE for the licensed NAVTEQ Data. NT reserves the right to change the geographic areas contained in the DCAs, and the number of such DCAs, at any time. In the event that any such deliveries include NAVTEQ Data for geographic areas outside of the Licensed Territory (“Unlicensed Data”), LICENSEE shall refrain from using and/or distributing such Unlicensed Data and any information based on or derived there from.

IV. Application. \*\*\*, as defined in Exhibit A hereto.

V. Use Rights: Pursuant to Section 4.1 of the Agreement, LICENSEE’ s Use Rights are limited to:

A. \*\*\*

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B. \*\*\*

C. \*\*\* LICENSEE shall be fully responsible for compliance by Distributors and OEMs with the terms and conditions of this Agreement; and

D. \*\*\*

E. \*\*\*

F. \*\*\*

G. Data for the Republic of Korea. LICENSEE may not export or in any way transfer the Data for the Republic of Korea (South Korea) outside of the Republic of Korea (South Korea)

VI. License Fees to NT. LICENSEE shall pay NT license fees in the amounts and on the due dates set forth in Exhibit B hereto.

VII. Price Index Pursuant to Section 5.6 of Agreement: None.

VIII. \*\*\*

IX. [RESERVED]

X. Currency. U.S. Dollars.

XI. End-User Terms. Attached as Exhibit C.

XII. Special Provisions.

A. Termination of Territory Licenses. Upon the Effective Date of this Territory License No. 15, Territory License Nos. 9, 10, 12, 13 and 14 shall terminate.

B. \*\*\*

- C. Reporting. The License Fee Report required under the Agreement shall set forth the license fees and other charges due and the basis of calculation thereof and such other information NT may reasonably request, including such information as NT minimally requires to support its obligations to report and pay royalties to its third party data suppliers.
- D. Additional Packaging Requirements. \*\*\*

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- E. Use of LICENSEE Marks. NT may display LICENSEE' s trade name, trademark(s), logo(s), and company and product descriptions and similar information and designations (collectively "LICENSEE Marks"), relating to Applications licensed hereunder which use the NAVTEQ Data, on web pages, in advertisements, brochures, exhibits and other marketing and promotional material of NT (collectively "NT Collateral"). During the term of this Agreement, LICENSEE grants NT a non-exclusive, non-transferable, non-sublicensable right to use LICENSEE Marks as permitted in the preceding sentence. Nothing stated herein shall constitute a grant or other transfer to NT of any right, title or interest in LICENSEE Marks. Upon termination or expiration of this Agreement for any reason, NT shall immediately cease all use of LICENSEE Marks.

F. \*\*\*

G. \*\*\*

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NAVTEQ NORTH AMERICA, LLC

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 1-30-07

GARMIN CORPORATION

By: /s/ Min H. Kao  
Name: Min H. Kao  
Title: President  
Date: Jan. 26, 2007

NAVTEQ EUROPE B.V.

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel  
Date: 1-30-07

GARMIN INTERNATIONAL, INC.

By: /s/ Min H. Kao  
Name: Min H. Kao  
Title: President  
Date: Jan. 26, 2007

PICTURE MAP INTERNATIONAL CO., LTD

By: /s/ Lawrence M. Kaplan  
Name: Lawrence M. Kaplan  
Title: SVP and General Counsel

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**EXHIBIT A**

**APPLICATION**

Subject to the restrictions below, \*\*\* means any of the following Applications:

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**Definitions:**

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**Restrictions**

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**EXHIBIT B**

**LICENSE FEES**

I. License Fees.

The applicable \*\*\* License Fees hereunder shall be as set forth in the following table and include \*\*\* NT shall provide the amount of the surcharge upon request from LICENSEE.

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III. Due Dates. Notwithstanding anything to the contrary in this Agreement, license fees for each Copy and Electronic File shall be due on the last day of the calendar month following the month in which the Copy or Electronic File was initially distributed or upgraded for use with a licensed Application.

LICENSEE shall provide License Fee reports to NT reflecting Copies and Electronic Files distributed in LICENSEE' s prior fiscal month by the 10<sup>th</sup> day of each calendar month. Each year, LICENSEE shall provide NT with a listing of the dates in each fiscal period. Also, upon reasonable notice, no more than once per calendar quarter, LICENSEE shall provide to NT a second License Fee report to reconcile the difference between the actual calendar and LICENSEE' s fiscal calendar.

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## EXHIBIT C

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### END-USER TERMS

The data ("Data") is provided for your personal, internal use only and not for resale. It is protected by copyright, and is subject to the following terms and conditions which are agreed to by you, on the one hand, and [LICENSEE] ("[LICENSEE]") and its licensors (including their licensors and suppliers) on the other hand.

© 200X NAVTEQ. All rights reserved.

© 200X Picture Map International, Co., Ltd. All rights reserved (Include if Copy or Electronic File contains Data for the Republic of Korea)

### TERMS AND CONDITIONS

You agree to use this Data together with [insert name of LICENSEE's authorized Application] for solely personal use, or, if applicable, for use in your business' internal operations, and not for service bureau, time-sharing, resale or other similar purposes. Accordingly, but subject to the restrictions set forth in the following paragraphs, you may copy this Data only as necessary for your use to (i) view it, and (ii) save it, provided that you do not remove any copyright notices that appear and do not modify the Data in any way. You agree not to otherwise reproduce, copy, modify, decompile, disassemble or reverse engineer any portion of this Data, and may not transfer or distribute it in any form, for any purpose, except to the extent permitted by mandatory laws.

**Restrictions.** Except where you have been specifically licensed to do so by [LICENSEE], and without limiting the preceding paragraph, you may not use this Data with any products, systems, or applications installed or otherwise connected to or in communication with vehicles and which are capable of dispatch, fleet management or similar applications where the Data is used by a central control center in dispatching a fleet of vehicles..

**No Warranty.** This Data is provided to you "as is," and you agree to use it at your own risk. [LICENSEE] and its licensors (and their licensors and suppliers) make no guarantees, representations or warranties of any kind, express or implied, arising by law or otherwise, including but not limited to, content, quality, accuracy, completeness, effectiveness, reliability, fitness for a particular purpose, usefulness, use or results to be obtained from this Data, or that the Data or server will be uninterrupted or error-free.

**Disclaimer of Warranty:** [LICENSEE] AND ITS LICENSORS (INCLUDING THEIR LICENSORS AND SUPPLIERS) DISCLAIM ANY WARRANTIES, EXPRESS OR IMPLIED, OF QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. Some States, Territories and Countries do not allow certain warranty exclusions, so to that extent the above exclusion may not apply to you.

**Disclaimer of Liability:** [LICENSEE] AND ITS LICENSORS (INCLUDING THEIR LICENSORS AND SUPPLIERS) SHALL NOT BE LIABLE TO YOU: IN RESPECT OF ANY CLAIM, DEMAND OR ACTION, IRRESPECTIVE OF THE NATURE OF THE CAUSE OF THE CLAIM, DEMAND OR ACTION ALLEGING ANY LOSS, INJURY OR DAMAGES, DIRECT OR INDIRECT, WHICH MAY RESULT FROM THE USE OR POSSESSION OF THE INFORMATION; OR FOR ANY LOSS OF PROFIT, REVENUE, CONTRACTS OR SAVINGS, OR ANY OTHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF YOUR USE OF OR INABILITY TO USE THIS INFORMATION, ANY DEFECT IN THE INFORMATION, OR THE BREACH OF THESE TERMS OR CONDITIONS, WHETHER IN AN ACTION IN CONTRACT OR TORT OR BASED ON A WARRANTY, EVEN IF [LICENSEE] OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Some States, Territories and Countries do not allow certain liability exclusions or damages limitations, so to that extent the above may not apply to you.

**Disclaimer of Endorsement:** Reference to any products, services, processes, hypertext links to third parties or other Data by trade name, trademark, manufacturer, supplier or otherwise does not necessarily constitute or imply its endorsement, sponsorship or recommendation by [LICENSEE] or its licensors. Product and service information are the sole responsibility of each individual vendor. The NAVTEQ name and logo, the NAVTEQ and NAVTEQ ON BOARD trademarks and logos, and other trademarks and trade names owned by NAVTEQ North America, LLC may not be used in any commercial manner without the prior written consent of NAVTEQ.

**Export Control.** You agree not to export from anywhere any part of the Data provided to you or any direct product thereof except in compliance with, and with all licenses and approvals required under, applicable export laws, rules and regulations.

**Indemnity.** You agree to indemnify, defend and hold [LICENSEE] and its licensors (including their respective licensors, suppliers, assignees, subsidiaries, affiliated companies, and the respective officers, directors, employees, shareholders, agents and representatives of each of them) free and harmless from and against any liability, loss, injury (including injuries resulting in death), demand, action, cost, expense, or claim of any kind or character, including but not limited to attorney's fees, arising out of or in connection with any use or possession by you of this Data.

**Entire Agreement.** These terms and conditions constitute the entire agreement between [LICENSEE] (and its licensors, including their

licensors and suppliers) and you pertaining to the subject matter hereof, and supersedes in their entirety any and all written or oral agreements previously existing between us with respect to such subject matter.

**Government End Users.** If the Data is being acquired by or on behalf of the United States government or any other entity seeking or applying rights similar to those customarily claimed by the United States government, *[insert “NAVTEQ Data” or such other name that Client uses specifically to refer to NAVTEQ Data]* (hereinafter “Data”) is a “commercial item” as that term is defined at 48 C.F.R. (“FAR”) 2.101, is licensed in accordance with *[insert the name of the terms/conditions in which this notice is included]*, and each copy of Data delivered or otherwise furnished shall be marked and embedded as appropriate with the following “Notice of Use,” and shall be treated in accordance with such Notice:

CONTRACTOR (MANUFACTURER/ SUPPLIER) NAME: NAVTEQ

These [insert “NAVTEQ Data” or such other name that Client uses specifically to refer to NAVTEQ Data] are commercial items as defined in FAR 2.101 and are subject to [insert the name of the terms/conditions in which this notice is included] under which this data was provided.

If the Contracting Officer, federal government agency, or any federal official refuses to use the legend provided herein, the Contracting Officer, federal government agency, or any federal official must notify NAVTEQ prior to seeking additional or alternative rights in the Data.

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**Exhibit 10.32(o)**



## TERRITORY LICENSE NO. 16

**Quick Reference Title:** \*\*\*

Pursuant to the Data License Agreement between NT and Client dated as of the Effective Date identified therein and reiterated below (“**Agreement**”), NT and Client hereby agree to the following additional terms and conditions. Capitalized terms not otherwise defined in the Agreement or within the body of this TL (including any exhibits or attachments hereto) shall have the meanings set forth in Exhibit B hereto.

Client: Garmin Corporation and Garmin International, Inc.

Effective Date of Agreement: July 1, 1999

Effective Date of Territory License: \_\_\_\_\_ Date of last signature below \_\_\_\_\_

## I. Territory License Term

The term of this TL shall commence on the Effective Date of this TL and continue until December 31, 2009 (“**Expiration Date**”), unless terminated as provided in the Agreement (“**TL Term**”); provided, however, that the TL Term shall extend for such period of time (“**Update Term**”) necessary for Client to fulfill its obligations to deliver Update Copies pursuant to any Multiple Update Subscriptions sold by Client prior to the Expiration Date (see Exhibit C). Within thirty (30) days following such Expiration Date, Client shall notify NT in writing of the end date of any such Update Term and the number of Update Copies to be distributed in each annual period of such Update Term.

Both parties have executed this Agreement by their duly authorized officers as of the Effective Date.

NAVTEO NORTH AMERICA, LLC

GARMIN CORPORATION

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: Senior VP, General Counsel & Secretary

Title: Director

Date: 5/25/07

Date: 5/21/07

NAVTEQ EUROPE B.V.

GARMIN INTERNATIONAL, INC.

By: /s/ Lawrence M. Kaplan

By: /s/ Clifton A. Pemble

Name: Lawrence M. Kaplan

Name: Clifton A. Pemble

Title: Senior VP, General Counsel & Secretary

Title: Director

Date: 5/25/07

Date: 5/21/07

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## TERMS AND CONDITIONS

### II. Territory (check applicable geographic areas; each is a separate “Territory” or “Licensed Territory”).

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\*Data for Moldova may not be distributed to End-Users in Moldova and Data for Ukraine may not be distributed in Ukraine. Client agrees that it shall not export Copies of the Data for Moldova or Ukraine into each such country.

### III. Licensed NAVTEQ Data. \*\*\*

A. Content: Detailed City/Inter-Town Data. Subject to ARTICLE 7 of the Agreement, the NAVTEQ Data licensed hereunder is the geographic data for the Licensed Territory developed and generally released by NT for use in the type of Application(s) authorized in Section IV. Client acknowledges that the NAVTEQ Data corresponding to certain portions of the Licensed Territory may not be completed and/or may not be produced during the term of this Agreement or ever and will only be available to Client as otherwise provided in this Agreement upon general release after completion.

\*\*\*

B. Form of Delivery: The NAVTEQ Data delivered by NT to Client hereunder shall be separated into files corresponding to either NT's then-existing standard data coverage areas (“DCAs”) pertaining to the Licensed Territory or such other geographic coverage areas pertaining to the Licensed Territory as NT in its sole discretion may make available to Client for the licensed NAVTEQ Data. NT reserves the right to change the geographic areas contained in the DCAs, and the number of such DCAs, at any time. In the event that any such deliveries include NAVTEQ Data for geographic areas outside of the Licensed Territory (“Unlicensed Data”), Client shall refrain from using and/or distributing such Unlicensed Data and any information based on or derived there from.

C. Use of POIs: Client shall identify in its License Fee reports to NT those Copies that contain any NT POIs \*\*\*

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- D. Quality: Pursuant to Section 8.1 of the Agreement, the Detailed City Data portions of the NAVTEQ Data for the US/Canada and Europe Territories shall \*\*\*

IV. Application. \*\*\*

V. Licensed Use.

- A. \*\*\*
- B. \*\*\*
- C. Data for the Republic of Korea. Client may not export or in any way transfer the Data for the Republic of Korea (South Korea) outside of the Republic of Korea (South Korea).

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VI. Fees to NT.

- A. License Fees. License fee amounts are set forth in Exhibit C hereto.
- B. \*\*\*
- C. Price Index Pursuant to Section 5.6 of Agreement: None

VII. Currency. U.S. Dollars

VIII. End-User Terms. Attached as Exhibit D.

IX. Additional Provisions.

- A. Reporting. The License Fee Report required under Section 5.8 of the Agreement shall be in the form of, and contain the information specified in, Exhibit E attached hereto; provided, however, that, notwithstanding anything to the contrary in this Territory License or the Agreement and to the extent available to Client, Client shall report the name and address of the End User of the Application for all \*\*\*
- B. Use of Certain Traffic Codes in Europe.
1. General Restrictions Applicable to Traffic Codes. Client acknowledges and agrees that in certain countries of the Territory of Europe, Client will need to obtain rights directly from third party RDS-TMC code providers to receive and use the Traffic Codes in the Data and to deliver to End-Users Transactions in any way derived from or based on such Traffic Codes. For such countries, NT shall deliver the Data incorporating Traffic Codes to Client only after receiving certification from Client of its having obtained such rights.
  2. Display of Third Party Rights Legends for Belgium. Client shall, for each Transaction that uses Traffic Codes for Belgium, provide the following notice to the End-User: "Traffic Information is provided by the Ministerie van de Vlaamse Gemeenschap and the Ministère de l' Equipement et des Transports."

C. Additional Requirements. \*\*\*

D. Use of Client Marks. NT may display Client' s trade name, trademark(s), logo(s), and company and product descriptions and similar information and designations (collectively "Client Marks"), relating to Applications licensed hereunder which use the NAVTEQ Data, on web pages, in advertisements, brochures, exhibits and other marketing and promotional material of NT (collectively "NT Collateral"). During the term of this Agreement, Client grants NT a non-exclusive, non-transferable, non-sublicensable right to use Client Marks as permitted in the preceding sentence. Nothing stated herein shall constitute a grant or other transfer to NT of any right, title or interest in Client Marks. Upon termination or expiration of this Agreement for any reason, NT shall immediately cease all use of Client Marks.

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## **EXHIBIT A**

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**EXHIBIT B**

**DEFINITIONS**

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### **EXHIBIT C**

#### **APPLICATION & LICENSE FEES**

- I. Application. Subject to all restrictions set forth in the Agreement, the \*\*\* means any of the following Applications:

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#### **Restrictions**

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- II. License Fees. The license fees for each Copy for \*\*\* Applications (the "Per Copy License Fee") is the applicable \*\*\*

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- III. Due Dates. Notwithstanding anything to the contrary in this Agreement, license fees for each Copy shall be due on the last day of the calendar month following the month in which the Copy was initially distributed or upgraded for use with a licensed Application. Client shall pay \*\*\*

Client shall provide License Fee reports to NT reflecting Copies distributed in Client' s prior fiscal month by the 10<sup>th</sup> day of each calendar month. Each year, Client shall provide NT with a listing of the dates in each fiscal period. Also, upon reasonable notice, no more than once per calendar quarter, Client shall provide to NT a second License Fee report to reconcile the difference between the actual calendar and Client' s fiscal calendar.

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## EXHIBIT D

### END-USER TERMS

The data ("Data") is provided for your personal, internal use only and not for resale. It is protected by copyright, and is subject to the following terms and conditions which are agreed to by you, on the one hand, and [CLIENT] ("[CLIENT]") and its licensors (including their licensors and suppliers) on the other hand.

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**EXHIBIT E**

## LICENSE FEE REPORT

[TO BE INSERTED]

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**EXHIBIT F**

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LIST OF SUBSIDIARIES OF NAVTEQ CORPORATION  
(A DELAWARE CORPORATION)

- 1 NAVTEQ North America, LLC (a Delaware limited liability company)
- 2 NAVTEQ International, LLC (a Delaware limited liability company)
- 3 NAVTEQ Kabushiki Kaisha (a Japan corporation)
- 4 NAVTEQ Canada Inc. (an Ontario corporation)
- 5 NAVTEQ B.V. (a Netherlands corporation)
- 6 NAVTEQ Austria GmbH (an Austria corporation)
- 7 NAVTEQ N.V./S.A. (a Belgium corporation)
- 8 NAVTEQ Srl (an Italy corporation)
- 9 Geoinformation NAVTEQ - Tecnologias de Navegacao, Unipessoal, Lda. (a Portugal corporation)
- 10 Navigation Technologies S.L. (a Spain corporation)
- 11 Navigation Technologies Sweden AB (a Sweden corporation)
- 12 NAVTEQ Switzerland GmbH (a Switzerland corporation)
- 13 Navigation Technologies CIS LLC (a Russia limited liability company)
- 14 NT Data CIS LLC (a Russia limited liability company)
- 15 NAVTEQ SRO (a Czech Republic corporation)
- 16 NAVTEQ Europe B.V. (a Netherlands corporation)
- 17 NAVTEQ Solutions Malaysia SDN. BHD. (a Malaysian organization)
- 18 NAVTEQ Solutions, S. De R.L. de C.V. (a Mexican organization)
- 19 NAVTEQ Korea Co., Ltd. (a Korean corporation)
- 20 NAV2 Co., Ltd. (a Chinese joint venture company of which NAVTEQ owns 49%)
- 21 NAVTEQ do Brasil Tecnologia e Soluções de Navegação Ltda. (a Brazil corporation)
- 22 NAVTEQ PTE. LTD. (a Singapore corporation)
- 23 NAVTEQ Holdings B.V. (a Netherlands corporation)
- 24 NAVTEQ International B.V. (a Netherlands corporation)
- 25 The Map Network, Inc. (a Delaware corporation)
- 26 Traffic.com, Inc. (a Delaware corporation)
- 27 NT Acquisitions Corp. (a Delaware corporation)
- 28 NAVTEQ Chile Ltda (a Chile company)
- 29 Traffic.com Asia (a Cayman Islands company)
- 30 NAVTEQ Cyprus Limited (f/k/a Porsilo Investment Limited)
- 31 NAVTEQ Cografi Bilgi Ticaret Limited Sirketi (a Turkey company)
- 32 NAVTEQ German Holdings B.V. (a Netherlands company)
- 33 NAVTEQ Verwaltungs GmbH (a German company)
- 34 NAVTEQ Germany GmbH & Co. KG (a German partnership)
- 35 Mapsolute GmbH (a German company)
- 36 Mapsolute do Brasil Mapeamento Ltda. (a Brazil company)
- 37 Mapsolute Ltd. (a UK company)
- 38 Mapsolute Inc. (a Delaware company)
- 39 Mapsolute Finland Oy (a Finland company)
- 40 NAVTEQ America Holdings B.V. (a Netherlands company)

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors  
NAVTEQ Corporation:

We consent to incorporation by reference in the registration statements on Form S-4 (333-139536) and Form S-8 (No. 333-767000) of NAVTEQ Corporation (the Company) of our reports dated February 29, 2008, with respect to the consolidated balance sheets of NAVTEQ Corporation and subsidiaries as of December 31, 2006 and 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2007, and the related financial statement schedule and the effectiveness of internal control over financial reporting as of December 31, 2007, which reports appear in the December 31, 2007 annual report on Form 10-K of NAVTEQ Corporation.

As discussed in Note 1 to the consolidated financial statements, during 2006 the Company adopted Statement of Financial Accounting Standards No. 123(R), Share-Based Payment.

/s/ KPMG LLP

Chicago, Illinois  
February 29, 2008

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## POWER OF ATTORNEY

**KNOW ALL MEN BY THESE PRESENTS**, that each of the undersigned, being a director or officer, or both, of NAVTEQ CORPORATION, a Delaware corporation (the “Company”), does hereby constitute and appoint JUDSON C. GREEN, DAVID B. MULLEN and LAWRENCE M. KAPLAN, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys to execute, file or deliver this Annual Report on Form 10-K, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his name as a director or officer or both, of the Company, as indicated below opposite his signature, to the Annual Report and any amendment thereto; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents, or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

**IN WITNESS WHEREOF**, each of the undersigned has subscribed these presents as of the date set forth opposite such signatory’ s name.

/s/ Judson C. Green

Date: February 29 2008

Judson C. Green, Director, President and Chief  
Executive Officer (principal executive officer)

/s/ David B. Mullen

Date: February 29, 2008

David B. Mullen, Executive Vice President and  
Chief Financial Officer (principal financial  
officer)

/s/ James D. Murphy

Date: February 29, 2008

James D. Murphy, Vice President and Corporate Controller  
(principal accounting officer)

/s/ Richard J.A. de Lange

Date: February 22, 2008

Richard J.A. de Lange, Director

/s/ Christopher Galvin

Date: February 26, 2008

Christopher Galvin, Director

/s/ Andrew J. Green

Date: February 21, 2008

Andrew J. Green, Director

/s/ William Kimsey

Date: February 21, 2008

William Kimsey, Director

/s/ Scott D. Miller

Date: February 25, 2008

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Scott D. Miller, Director

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/s/ Dirk-Jan van Ommeren

Dirk-Jan van Ommeren, Director

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Date: February 22, 2008

**CERTIFICATIONS**

I, Judson C. Green, certify that:

1. I have reviewed this annual report on Form 10-K of NAVTEQ Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2008

/s/ Judson C. Green

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Judson C. Green

President and Chief Executive Officer

(Principal Executive Officer)

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**CERTIFICATIONS**

I, David B. Mullen, certify that:

1. I have reviewed this annual report on Form 10-K of NAVTEQ Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2008

/s/ David B. Mullen

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David B. Mullen

Executive Vice President and

Chief Financial Officer

(Principal Financial Officer)

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**NAVTEQ CORPORATION**  
**Certification of Principal Executive Officer**  
**Pursuant to 18 U.S.C. 1350**  
**(Section 906 of the Sarbanes-Oxley Act of 2002)**

I, Judson C. Green, President and Chief Executive Officer (principal executive officer) of NAVTEQ Corporation (the “Registrant”), certify that to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the year ended December 31, 2007 of the Registrant (the “Report”):

- (1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Judson C. Green

Name: Judson C. Green

Date: February 29, 2008

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**NAVTEQ CORPORATION**

**Certification of Principal Financial Officer**

**Pursuant to 18 U.S.C. 1350**

**(Section 906 of the Sarbanes-Oxley Act of 2002)**

I, David B. Mullen, Executive Vice President and Chief Financial Officer (principal financial officer) of NAVTEQ Corporation (the “Registrant”), certify that to the best of my knowledge, based upon a review of the Annual Report on Form 10-K for the year ended December 31, 2007 of the Registrant (the “Report”):

- (1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ David B. Mullen

Name: David B. Mullen

Date: February 29, 2008

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