

TomTom reports profits slump as car sales slow

THE HAGUE, THE NETHERLANDS: Dutch vehicle navigation systems manufacturer TomTom said its profits fell by half in the third quarter year-on-year, blaming a fall in car sales for the poor results.



TomTom's profits collapse as car sales fall. Image: [Road Safety](#)

TomTom's net income fell from €22m last year to just €11m in the third quarter while turnover dropped from €274m to €244m.

Chief executive Harold Goddijn said that despite making inroads in the automotive market the firm's revenue is affected by ongoing low car sales.

The Amsterdam-based group recently signed a deal with Ford for a future navigation system that will connect to the car manufacturer's dashboard multimedia system.

Last month it started incorporating a navigation application into Japanese electronics company Sony's second-generation of dashboard information and entertainment systems.

The company said that it lost business because it had to compete with a trend to use navigation applications installed in mobile phones. TomTom said, however, it was on target to achieve a turnover of between €900m and €950m.

Earlier this year TomTom announced it was diversifying its line and had introduced a new GPS multifunction sports watch while sprucing up its existing navigation products with interactive 3D maps.

The watch features the latest Bluetooth technology and a simple one-button control. It is waterproof up to 50m and can be used by runners, cyclists and swimmers.

TomTom employs more than 3,500 people and its maps cover 102 countries.

Source: AFP via I-Net Bridge