locate, communicate, accelerate

Annual results 2010
u-blox Holding AG

March 17, 2011
Thomas Seiler, CEO
Jean-Pierre Wyss, CFO
Disclaimer

This presentation contains certain forward-looking statements. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied herein. Should such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation. u-blox is providing the information in this presentation as of this date and does not undertake any obligation to update any forward-looking statements contained in it as a result of new information, future events or otherwise.
Agenda

• Introduction
• Highlights 2010
• Financial results
• Business update
• Outlook 2011
• Q&A
# u-blox Group 2010 at a Glance

<table>
<thead>
<tr>
<th>Key figures</th>
<th>Amount CHF</th>
<th>In relation to revenue</th>
<th>Change 2009 to 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>112.8m</td>
<td>-</td>
<td>53.4%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>58.9m</td>
<td>52.2%</td>
<td>51.4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>27.7m</td>
<td>24.5%</td>
<td>118.3%</td>
</tr>
<tr>
<td>EBIT</td>
<td>19.1m</td>
<td>16.9%</td>
<td>267.7%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>12.9m</strong></td>
<td><strong>11.5%</strong></td>
<td><strong>288.3%</strong></td>
</tr>
<tr>
<td>Net operating cash flow</td>
<td>20.7m</td>
<td>18.3%</td>
<td>40.3%</td>
</tr>
</tbody>
</table>

Remarks:
- all numbers in the presentation are unadjusted
- Neonseven S.p.A. and Geotate B.V. have been consolidated as of April 1, 2009
Operational highlights 2010

- GPS platform u-blox 6 ramped production and successful migration
- Expanded GPS technology with patents from Air Semiconductor
- Launch of the world’s smallest 3.75G wireless module LISA
- Global certification of wireless modules
- Penetration of automotive market with dead-reckoning solution
- Strong growth of revenue in APAC, Americas and EMEA
- Expanded production capacities and new facilities
  - Fabrication and testing for chips and modules
  - New production line in Brazil for GSM module
- Streamlined business processes with new process landscape
Revenue and EBITDA

(CHF in million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>54.4</td>
<td>9.1</td>
</tr>
<tr>
<td>2007</td>
<td>78.4</td>
<td>8.9</td>
</tr>
<tr>
<td>2008</td>
<td>74.5</td>
<td>12.9</td>
</tr>
<tr>
<td>2009</td>
<td>73.5</td>
<td>12.7</td>
</tr>
<tr>
<td>2010</td>
<td>112.8</td>
<td>27.7</td>
</tr>
</tbody>
</table>

+53.4%  +118.3%
Markets trends

Revenue split by markets for 2010

- Continued strong foothold in the industrial market, led by vehicle and asset tracking applications
- Consumer market mainly growing in Asia with mobile phones and people tracking devices
- Automotive market grew stronger than overall sales, lead by in-car navigation and emergency call systems.

Note: Estimate
Revenue by geographic region

Comments:
- Strong growth in all regions
- Largest increase in APAC (+58.2%)
- Growth of +52.2% in Americas
- +46.7% increase in EMEA

Note: based on customers’ location
Gross profit

- Gross profit of CHF 58.9m in 2010
- Strong increase in gross profit in 2010 due to:
  - Strong revenue growth
  - Good gross profit margin due to u-blox 5 and u-blox 6 GPS platforms
- Growth rate of 51.4% for gross profit compared to 2009
Shipments and ASP development

- Chip shipments doubled in 2010, growth of volume for all platforms
- 85% of GPS module shipments are based on u-blox 5 and u-blox 6
- Q4 2010: 25% of revenue was generated with u-blox 6

Note: incl. Atmel-Chipset sales
Global customer base

- Strong and stable customer base
- More than 3000 customers world-wide
- Good spread over various applications and all geographical regions
- Largest customer accounts for less than 5% of total revenue in 2010
- 10 biggest customers account for 34% of total revenue in 2010
Distribution & marketing / Research & development

**Distribution & marketing expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>D&amp;M (CHF in million)</th>
<th>As % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>7.8</td>
<td>14.3%</td>
</tr>
<tr>
<td>2007</td>
<td>10.8</td>
<td>13.8%</td>
</tr>
<tr>
<td>2008</td>
<td>11.4</td>
<td>15.3%</td>
</tr>
<tr>
<td>2009</td>
<td>13.0</td>
<td>17.7%</td>
</tr>
<tr>
<td>2010</td>
<td>14.6</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

**Research & development expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D (CHF in million)</th>
<th>As % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>5.8</td>
<td>10.7%</td>
</tr>
<tr>
<td>2007</td>
<td>9.7</td>
<td>12.3%</td>
</tr>
<tr>
<td>2008</td>
<td>9.3</td>
<td>12.5%</td>
</tr>
<tr>
<td>2009</td>
<td>16.2</td>
<td>22.0%</td>
</tr>
<tr>
<td>2010</td>
<td>21.3</td>
<td>18.9%</td>
</tr>
</tbody>
</table>
Personnel

Employee breakdown (end of 2010, FTE based)

- Logistics, admin: 15% (30 FTE)
- Research & development: 52% (106 FTE)
- Sales, marketing, support: 33% (68 FTE)
- Total: 204 FTE


- 2006: 53 FTE
- 2007: 73 FTE
- 2008: 94 FTE
- 2009: 164 FTE
- 2010: 195 FTE (Average FTE)

Note: 61% of employees based outside Switzerland (spread over 9 countries)

Note: Average number of employees (FTE = full time equivalent)
Revenue increase of 53.4% from 2009 to 2010

Revenue growth of 29% from H1/10 to H2/10

Increased gross profit by +51.4%

Stable gross profit margin

Opex increase of 21.8%

EBITDA margin of 24.5%

EBIT margin of 16.9%

Finance cost: negative foreign exchange result (mainly unrealized)

Stock options cost in the amount of CHF 1m for 2010

Capex: CHF 8.6m
### Statement of financial position (condensed)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>25'184</td>
<td>20'153</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>0</td>
<td>5'000</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>49'890</td>
<td>39'740</td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>12'160</td>
<td>8'344</td>
</tr>
<tr>
<td>Other current assets</td>
<td>19'863</td>
<td>11'062</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>107'097</td>
<td>84'299</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4'947</td>
<td>4'229</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>27'687</td>
<td>31'424</td>
</tr>
<tr>
<td>Financial assets</td>
<td>352</td>
<td>381</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>2'217</td>
<td>4'686</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>35'203</td>
<td>40'720</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>142'300</td>
<td>125'019</td>
</tr>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>17'592</td>
<td>12'270</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>4'857</td>
<td>3'308</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>22'449</td>
<td>15'578</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>5'619</td>
<td>5'619</td>
</tr>
<tr>
<td>Share premium</td>
<td>103'798</td>
<td>102'830</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>10'434</td>
<td>992</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>119'851</td>
<td>109'441</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>142'300</td>
<td>125'019</td>
</tr>
</tbody>
</table>

### Comments
- Very strong financial position with a liquidity (incl. short term investment & marketable securities) of CHF 75.1m
- No significant debt
- Inventory level at CHF 15.6m (finished products: CHF 6.4m)
- Intangible assets include goodwill of CHF 14.9m
- No impairment on goodwill
Statement of financial position

Total equity and equity ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Equity (CHF million)</th>
<th>Equity Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>28</td>
<td>76%</td>
</tr>
<tr>
<td>2007</td>
<td>98</td>
<td>86%</td>
</tr>
<tr>
<td>2008</td>
<td>106</td>
<td>88%</td>
</tr>
<tr>
<td>2009</td>
<td>109</td>
<td>88%</td>
</tr>
<tr>
<td>2010</td>
<td>120</td>
<td>84%</td>
</tr>
</tbody>
</table>

Comments

- Equity ratio at 84.2%
- Strong capital base supports expansion of business
Statement of cash flows

Consolidated cash flow Statement (condensed)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>20'671</td>
<td>14'736</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-13'589</td>
<td>-31'774</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>-4</td>
<td>-6</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td><strong>7'078</strong></td>
<td><strong>-17'044</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>20'153</td>
<td>37'147</td>
</tr>
<tr>
<td>Effect of exchange rate fluctuations on cash and cash equivalents</td>
<td>-2'047</td>
<td>50</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td><strong>25'184</strong></td>
<td><strong>20'153</strong></td>
</tr>
</tbody>
</table>

For the year ended December 31,

Comments

- Good operational cash flow
- Investing activities:
  - CHF 5m was provided by release of short term investments and CHF 10.1m was invested into marketable securities (excl. re-invested gains from marketable securities)
  - CHF 8.6m was invested into non-current assets for further expansion of business (mainly capitalized R&D, tools & test infrastructure)
## Segment reporting

<table>
<thead>
<tr>
<th>(in CHF 000s)</th>
<th>GPS / Wireless products</th>
<th>Wireless services 1)</th>
<th>Total reportable segments</th>
<th>Non allocated / eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue third</td>
<td>110'288</td>
<td>70'056</td>
<td>2'493</td>
<td>3'471</td>
<td>112'781</td>
</tr>
<tr>
<td>Revenue intragroup</td>
<td>0</td>
<td>0</td>
<td>4'506</td>
<td>1'353</td>
<td>4'506</td>
</tr>
<tr>
<td>Total revenue</td>
<td>110'288</td>
<td>70'056</td>
<td>6'999</td>
<td>4'824</td>
<td>117'287</td>
</tr>
<tr>
<td>EBITDA</td>
<td>25'944</td>
<td>12'803</td>
<td>1'979</td>
<td>103</td>
<td>27'923</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-2'076</td>
<td>-1'982</td>
<td>-616</td>
<td>-480</td>
<td>-2'692</td>
</tr>
<tr>
<td>Amortization</td>
<td>-4'911</td>
<td>-4'618</td>
<td>-1'009</td>
<td>-415</td>
<td>-5'920</td>
</tr>
</tbody>
</table>

**EBIT**

|                                | 18'957 | 6'203 | 354 | -792 | 19'311 | 5'411 | -240 | -225 | 19'071 | 5'186 |
|                                | 942    | 251   | 492 | 356  | 356    | 251   | 942  | 251  | 942    | 251   |

**EBT**

|                                | 18'957 | 6'203 | 354 | -792 | 19'311 | 5'411 | -240 | -225 | 19'071 | 5'186 |
|                                | 59'459 | 48'597 | 5'884 | 6'493 | 65'343 | 55'090 | 76'957 | 69'929 | 142'300 | 125'019 |
|                                | 18'868 | 12'181 | 2'799 | 2'387 | 21'667 | 14'568 | 782  | 1'010 | 22'449 | 15'578 |
|                                | 7'475  | 8'536  | 1'134 | 2'268 | 8'609  | 10'804 | 0    | -584 | 8'609  | 10'220 |

1) Wireless services are effective as of 1 April 2009
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Business review
Consumer market

- Smartphones
  - GPS & Wireless

- Personal Navigation Devices
  - GPS & Wireless

- Notebooks and Mobile Internet Devices
  - GPS & Wireless

- Cameras
  - GPS

- Personal tracker
  - GPS & Wireless

- GPS-enabled bike computer
  - GPS

- Recreational devices: Golf
  - GPS
Commercial highlights: Consumer market

- Increased penetration of consumer markets and device categories

Mio, Taiwan PND
Viota, China PND
Contour USA GPS video camera
Fujitsu, Japan Mini notebook
Dual Electronics, Korea iPod cradle
Industrial market

Fleet management
GPS & Wireless

Remote monitoring and control
Wireless

Automatic meter reading
Wireless

Point-of-sales
Wireless

Remote displays
Wireless

Remote security and surveillance
Wireless
Commercial highlights: Industrial market

- Continued strong foothold in industrial market

- Trakm8, UK
  Vehicle tracking

- Helioversal, Taiwan
  Vehicle tracking

- EMS Global Tracking, US
  Person tracking

- Satel, Poland
  Wireless security module with u-blox’ GSM module
Automotive market
Commercial highlights: Automotive market

- Growing strong position in the automotive market
Continued innovation track record

Product launches 2010

- January: LUCY, first 3.5G module
- February: 3.5G broadband reference design
- March: End-to-end photo geotagging system
- June: New in-dash Automotive Dead-Reckoning chip
- August: LEA-6R module for add-on GPS Dead-Reckoning devices
- September: LEON Automotive 2.5G module for vehicle applications
- September: LISA-U series: world’s smallest 3.75G modules
- December: LISA-H series: 3.5G broadband modules for M2M application
Successful migration of u-blox 6 platform and continued strong demand for GPS products

- u-blox 6 proved very successful, many customers migrated
- GPS chip sales grew thanks to high performance and quality
- Hand-held applications taking off strongly

Latest chip package for most compact designs: UBX-6010NT
- High performance u-blox 6 GPS engine
- Smallest space requirements, < 7 x 8 mm
- High level of design flexibility
- Requires only 5 external components
Automotive Dead Reckoning GPS solution

- Significantly increased penetration into the in-car navigation market
- Design wins at Europe’s largest tier-1 car electronics suppliers

Benefits:
- Requires no customization and runs entirely on the GPS chip, ensuring fast-time-to-market
- Ensuring uninterrupted navigation in cities, tunnels, and park garages
- Supports safety, security and road-pricing applications such as emergency call, pay-as-you-drive insurance, road pricing, and stolen vehicle tracking
Entry into 3G market with new wireless module family LISA

- LISA is suitable for various markets and addresses requirements for:
  - High-speed mobile Internet in space critical portable consumer products
  - Medium speed, cost-effective connectivity for M2M applications
- Works seamlessly with our GPS receivers enabling “Location awareness”
Strong acceptance of LEON wireless module

- Numerous design-ins in APAC, US and Europe
- Operator certifications worldwide
- Expansion: “Automotive grade”

Addressing the exploding market for fleet management, emergency call systems and stolen vehicle tracking.

- eCall
- Vehicle management
- Anti-theft systems
- Road assistance
- Road-pricing
CellLocate – LEON GSM module feature

A revolutionary new feature:

- Determine positions in areas where GPS signals are poor or blocked (Buildings, airports, tunnels, underground parking)
- Complements u-blox GPS by adding a parallel and complementary technique for determining position

Suited for:

- Enhanced stolen vehicle tracking
- Tracking of valuable goods or containers
- Personal tracking
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Outlook 2011
## Strategic achievements and priorities 2011 (1)

### Technology and innovation

#### Achievements 2010
- 8 new products
- u-blox 6 platform
- Wireless 3G module family
- Visionary Projects Team

#### Outlook 2011
- Next generation platforms
- New products
- New features to existing Products
- Broaden technology scope

### Market position

#### Achievements 2010
- More than 3000 customers
- Expansion: automotive market
- GPS customers chose wireless products
- Additional market share

#### Outlook 2011
- Deepen relationship with customers
- Expand sales organization
- Win further consumer market share
- Continue dominance in industrial market
- Maintain strong momentum in automotive markets
Strategic achievements and priorities 2011 (2)

**Operational excellence**

**Achievements 2010**
- Streamlined internal processes
- Expanded production capacity
- Improved test processes

**Outlook 2011**
- Continue to exploit GPS/wireless technology synergies
- Further increase capacity
- Expand cross-divisional program management
- Strive for leaner processes

---

**Strategic partnership and acquisition opportunities**

**Achievements 2010**
- New patents
- Cooperation with Intel continued
- Expanded partnership with Flextronics in Brazil

**Outlook 2011**
- Evaluate key growth initiatives and strategic acquisitions
- Establish service and manufacturing partnerships
Product differentiation by convergence* of GPS and Wireless

- **Products**
  - Positioning
  - Connectivity

- **Technology**
  - AssistNow*
    - Accelerated positioning
  - CellLocate*
    - Indoor positioning
    - Positioning without GPS

- **Applications**
  - Recreational devices, Vehicle navigation
  - Femtocells, Cellular basestations
  - Machine control, Marine
  - Fleet management*
  - Personal Navigation Devices*
  - In-vehicle navigation*
  - Location based services*
  - People & asset tracking*
  - Smartphones*
  - Radar detectors*

  - Automatic meter reading, Mobile Internet,
  - Surveillance, Remote automation and control, Telehealth, Point of Sales terminals
Outlook 2011

**Financial performance outlook 2011**

- Market size for 2011 continuing to grow
- Mid-term sales growth from
  - Chipset and module sales Positioning
  - Modules sales Wireless
  - Combined offer Positioning and Wireless
- Gross margins percentage to slightly decline
- Guidance 2011 based on the following assumptions:
  - Economic climate without adverse impacts
  - Exchange rates:
    - EUR/CHF: 1.30
    - USD/CHF: 1.00

<table>
<thead>
<tr>
<th>Guidance 2011</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>140</td>
</tr>
<tr>
<td>EBIT</td>
<td>Approx. 25</td>
</tr>
</tbody>
</table>

in MCHF
Calendar

- Annual General Meeting 2010: April 27, 2011
- Half-year results 2011: September 2, 2011
Thank you!

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