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HY1 2010 Results
u-blox Holding AG

September 3, 2010
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Jean-Pierre Wyss, CFO
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Agenda

• Introduction
• Highlights HY1/2010
• Financial results
• Business update
• Outlook
• Q&A
### u-blox group HY1 / 2010 at a glance

<table>
<thead>
<tr>
<th>Key figure</th>
<th>Amount CHF</th>
<th>In relation to revenue</th>
<th>Change HY1/2009 to HY1/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>49.3m</td>
<td>-</td>
<td>44.3%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>26.2m</td>
<td>53.2%</td>
<td>42.2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>11.0m</td>
<td>22.4%</td>
<td>112.4%</td>
</tr>
<tr>
<td>EBIT</td>
<td>7.6m</td>
<td>15.4%</td>
<td>237.0%</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>6.0m</strong></td>
<td><strong>12.3%</strong></td>
<td><strong>292.8%</strong></td>
</tr>
<tr>
<td>Net operating cash flow</td>
<td>8.5m</td>
<td>17.2%</td>
<td>111.8%</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
Highlights HY1 2010

• Launch of our first 3.5G module LUCY
• New GPS platform u-blox 6 ramped production
• Launch of end-to-end geotagging solution for the camera market
• Production start of automotive grade GPS chips with revolutionary dead-reckoning solution
• Strong growth of revenue in Asia Pacific, Americas and EMEA
• Technology base expanded with patents for low-power real-time GPS acquired from Air Semiconductor
Revenue and EBITDA

Revenues (CHF in million):
- 2007: 78.4
- 2008: 74.5
- 2009: 73.5
- H1 09: 34.1
- H2 09: 39.4
- H1 10: 49.3

EBITDA:
- 2007: 8.9
- 2008: 12.9
- 2009: 12.7
- H1 09: 5.2
- H2 09: 7.5
- H1 10: 11.0

% Change:
- +44.3%
- +112.4%
Markets trends

Revenue split by markets for HY1 / 2010

- Industrial 65%
- Automotive 10%
- Consumer 25%

Comments

- Industrial market has grown the strongest and represented two thirds of the revenues in HY1 / 2010
- Automotive market lead by Asia, growth thanks to ramp up of automotive projects in Europe

Note: Estimate
Revenue by geographic region

Strong growth in all geographic regions
- Biggest increase in Asia (+55%)
- Increase of +50% in EMEA
- +19.3% increase in the Americas

Note: based on customers’ location
Gross profit

- Strong increase in gross profit to CHF 26.2m in HY1/10
- Growth of gross profit of +42.2% compared to HY1/09
- Good gross profit margin in HY1/10
  - Mainly the u-blox 5 platform provided the growth of gross profit
Shipments and ASP development

- Steep increase of u-blox 5 chip shipments in HY1/10
- Strong growth of module volume in HY1/10

**Modules**

- Shipments (in thousand)
- ASP (CHF)

**GPS chips**

- Shipments (in thousand)
- ASP (CHF)

Note: incl. Atmel-Chipset sales
Global customer base

- Strong and stable customer base
- More than 3000 customers worldwide
- Good spread over different applications and geographical regions
- Largest customer accounts for less than 5% of total revenue in HY1/10
- 10 biggest customers account for 35% of total revenue in HY1/10
- No bad debtors
Distribution & marketing expenses

Research & development expenses

(Revenues in CHF million)
Employees

Employee breakdown (end of HY1/10, FTE based)

- Research & development: 98 (51%)
- Sales, marketing, support: 68 (35%)
- Logistics, admin: 27 (14%)
- Total: 193

Average employee level (2007 – HY1/10, FTE based)

- 2007: 73
- 2008: 94
- 2009: 164
- H1 09: 153
- H2 09: 188
- H1 10: 192

Note: 59% of employees based outside Switzerland (spread over 9 countries)

Note: Average number of employees (FTE = full time equivalent)
### Income statement

#### Consolidated income statement (condensed)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010 (unaudited)</td>
<td>2009 (audited)</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>49'251</td>
<td>73'527</td>
</tr>
<tr>
<td>% growth</td>
<td>44.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td>-23'056</td>
<td>-34'644</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>26'195</td>
<td>38'883</td>
</tr>
<tr>
<td>% gross profit margin</td>
<td>53.2%</td>
<td>52.9%</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>-18'590</td>
<td>-33'697</td>
</tr>
<tr>
<td><strong>Profit from operations (EBIT)</strong></td>
<td>7'605</td>
<td>5'186</td>
</tr>
<tr>
<td>% EBIT margin</td>
<td>15.4%</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Financial income</strong></td>
<td>580</td>
<td>251</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>-672</td>
<td>-1'490</td>
</tr>
<tr>
<td><strong>Profit before income tax (EBT)</strong></td>
<td>7'513</td>
<td>3'947</td>
</tr>
<tr>
<td>% EBT margin</td>
<td>15.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>-1'472</td>
<td>-621</td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td>6'041</td>
<td>3'326</td>
</tr>
<tr>
<td>% net profit margin</td>
<td>12.3%</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>3'409</td>
<td>7'495</td>
</tr>
<tr>
<td><strong>EBITDA (unaudited)</strong></td>
<td>11'014</td>
<td>12'681</td>
</tr>
<tr>
<td>% EBITDA margin</td>
<td>22.4%</td>
<td>17.2%</td>
</tr>
</tbody>
</table>

**Comments**

- Revenue increase of 44.3% from HY1/09 to HY1/10
- Increased gross profit by 42.2%
- Higher operating expenses due to the acquisition of Neonseven and Geotate
- EBITDA margin of 22.4%
- EBIT margin of 15.4%
- Tax rate of 19.6%
- Net profit of CHF 6m, net profit margin of 12.3%
- HY1/10: Stock options cost in the amount of CHF 0.57m

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Very strong financial position with a liquidity (incl. marketable securities) of CHF 68m

No significant debt

Low inventory level, CHF 9.4m (CHF 6.8m WIP)

Increase of trade accounts receivable due to higher revenue

Trade accounts payable of CHF 6.2m

No adjustments of goodwill, goodwill at CHF 15.8m
Statement of financial position

- Equity ratio at 86.1%
- Strong capital base supports expansion of business

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>2007</td>
<td>98</td>
<td>86.0%</td>
</tr>
<tr>
<td>2008</td>
<td>106</td>
<td>88.0%</td>
</tr>
<tr>
<td>2009</td>
<td>109</td>
<td>87.5%</td>
</tr>
<tr>
<td>H1 09</td>
<td>108</td>
<td>87.4%</td>
</tr>
<tr>
<td>H2 09</td>
<td>109</td>
<td>87.5%</td>
</tr>
<tr>
<td>H1 10</td>
<td>114</td>
<td>86.1%</td>
</tr>
</tbody>
</table>
## Statement of cash flows

### Consolidated interim cash flow Statement (condensed)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td></td>
<td>(unaudited)</td>
<td>(unaudited)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>8'468</td>
<td>3'998</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>164</td>
<td>12'144</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>-2</td>
<td>-5</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>8'630</td>
<td>16'137</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>-610</td>
<td>244</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period</td>
<td>28'173</td>
<td>53'528</td>
</tr>
</tbody>
</table>

### Comments

- **Positive operational cash flow**
- **Investing activities:**
  - CHF 5m was provided by release of short term investments
  - CHF 4.9m investments into non-current assets for further expansion of business (mainly production tools, IP, capitalization of R&D)
## Segment information at June 30

<table>
<thead>
<tr>
<th></th>
<th>GPS/ Wireless products</th>
<th>Wireless services</th>
<th>Total segments</th>
<th>Non-allocated/eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue third</td>
<td>48'137</td>
<td>33'292</td>
<td>1'114</td>
<td>839</td>
<td>49'251</td>
</tr>
<tr>
<td>Intersegment revenue</td>
<td>0</td>
<td>0</td>
<td>1'652</td>
<td>312</td>
<td>1'652</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>48'137</td>
<td>33'292</td>
<td>2'766</td>
<td>1'151</td>
<td>50'903</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10'745</td>
<td>5'657</td>
<td>386</td>
<td>-471</td>
<td>11'131</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-886</td>
<td>-975</td>
<td>-303</td>
<td>-120</td>
<td>-1'189</td>
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<tr>
<td>Amortization</td>
<td>-1'898</td>
<td>-1'743</td>
<td>-322</td>
<td>-91</td>
<td>-2'220</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>7'961</td>
<td>2'939</td>
<td>-239</td>
<td>-682</td>
<td>7'722</td>
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<tr>
<td>Financial income</td>
<td>580</td>
<td>165</td>
<td></td>
<td></td>
<td>580</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-672</td>
<td>-610</td>
<td></td>
<td></td>
<td>-672</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td></td>
<td></td>
<td>-209</td>
<td>-445</td>
<td>7'513</td>
</tr>
<tr>
<td>Assets</td>
<td>54'726</td>
<td>51'728</td>
<td>5'542</td>
<td>6'318</td>
<td>60'268</td>
</tr>
</tbody>
</table>
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Business update
Entry into 3G wireless market with LUCY UMTS/HSDPA modem module

- HSDPA data-rates of up to 7.2 Mb/s, GPRS/EDGE class 12 data transmission
- Full tri-band HSDPA and quad-band GSM/GPRS data and voice
- Multiple protocols supported
- Intelligent power management

- Continued new demand in the market
- Many customers seek 3G solutions for
  - Additional capabilities for high data volumes
  - Long product life time
Strong acceptance of LEON wireless module

- Widespread design-ins: large number of projects
- Accreditation by AT&T
- Operator certifications in Europe, China, Russia, Brazil, South Africa, Taiwan, Canada and the USA
- Production ramping up strongly
u-blox 6 GPS ramping up

- High demand for this new platform
- Production ramp-up well developed
- Production capacity expanded, including additional test machinery
- Hand-held applications taking off strongly
Launch of geotagging solution for camera market

- DSLR geotagging accessory
- Performance
  - 200ms captures
  - Up 90 days between recharges
  - 120 mAh LiPoly battery
  - Up to 4000 geotags
- Well received – award winning
Automotive grade GPS chips with dead reckoning
Test in New York (Midtown)

- Together with inputs from car sensors, positioning accuracy and availability is greatly enhanced
- Widely applied in first mount navigation units

Automotive DR (GWT)
GPS only
Actual Drive Path
Automotive grade GPS chips with dead reckoning test in Uetliberg tunnel (Zurich)

Light blue line depict tunnel sections
Consumer products benefiting from u-blox’ technology

- Mio PND
- Dual iPod cradle
- Fujitsu Mini Notebook
Continued strong foothold in industrial market – GPS and wireless modems

Trakm8 vehicle tracking     EMS person tracking     Helioversal vehicle tracking
Technology development and investment for key benefits

• Instant capture of location data: No waiting

• Very low power consumption: Long battery life time

• Low cost: High integration, minimum number of components
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Outlook

Goals

• Go to market with important product innovations
  • Wireless: new 2G and 3G products
  • GPS: next generation u-blox 6
• Continued development of new technologies for positioning and wireless solutions – we are working on some 50 R&D projects
• Capture additional business from existing customer relationships
• Continued expansion of market presence in telemetry markets
• Strengthen the global presence
• Operational excellence for lowest cost

Financial performance outlook 2010

• Continued growth in the second half year of 2010
• Strong balance sheet to remain

Mid-term outlook

• Mid-term revenue growth from
  • Chipset sales Positioning
  • Modules sales Wireless
• Meet customer demand for continued volume growth
• Constant exchange rates

<table>
<thead>
<tr>
<th></th>
<th>Actual 2009</th>
<th>Updated Guidance 2010</th>
<th>Target 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>73.5</td>
<td>110</td>
<td>140</td>
</tr>
<tr>
<td>EBIT</td>
<td>5.2</td>
<td>16.5</td>
<td>20</td>
</tr>
</tbody>
</table>

in MCHF
Important dates

- Annual results 2010: March 17, 2011
- Annual General Assembly 2011: April 27, 2011
- Half-year results 2011: September 2, 2011
Thank you!

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