Annual results 2012
u-blox Holding AG

March 21, 2013
Thomas Seiler, CEO
Roland Jud, CFO

locate, communicate, accelerate
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.

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Agenda

• Introduction
• Operational highlights 2012
• Financial results 2012
• Business review
• Outlook
• Q&A
Operational highlights 2012

• Outstanding business growth driven by new products

• Continued investments and measures for sustainable success
  • Acquisition of two companies for 4G (LTE) technology – 4M Wireless and Cognovo

• Expanded market position in existing markets
  • Acquisition of a GNSS modules competitor – Fastrax
  • Continued gain in market share

• Strengthened organization
  • Strong growth in personnel – today exceeding 400 people
  • Addition of more locations – u-blox now has operations in 14 countries
  • Continued adaptation of organizational framework

• Many new innovative solutions brought to market
Increased focus on technology expansion

- Completion of 6 acquisitions and 2 asset deals (patents, IP) since 2009
  - Smooth execution and integration
  - Addition of important strategic technologies
  - Generation of additional growth and increased market share

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquisitions</th>
<th>Acquisitions</th>
<th>Acquisitions</th>
<th>Acquisitions</th>
<th>Continue to evaluate acquisitions to complement and scale product portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>NeonSeven</td>
<td>Air Semiconductors</td>
<td>Fusion Wireless</td>
<td>4M Wireless</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Geotate</td>
<td>(assets)</td>
<td>SigNav (assets)</td>
<td>Cognovo</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Acquisition</td>
<td></td>
<td></td>
<td>Fastrax</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>Acquisitions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Acquisitions 2012

**Cognovo**, UK / Belgium
- Acquisition of 100% of the shares of Cognovo
- Acquisition price USD 16.5m (debt free)
- Fully paid-up in cash
- Closing date June 27, 2012

**4M Wireless**, UK / Pakistan
- Acquisition of 100% of the shares of 4M Wireless
- Acquisition price approx. USD 9m, depending on earn-out
- Fully paid-up in cash
- Closing date October 3, 2012

**Fastrax**, Finland
- Acquisition of 100% of the shares of Fastrax
- Acquisition price EUR 13m
- Fully paid-up in cash
- Closing date October 29, 2012
### u-blox group

<table>
<thead>
<tr>
<th>Key figures</th>
<th>Amount CHF</th>
<th>In relation to revenue</th>
<th>Change 2012 to 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>173.1m</td>
<td>-</td>
<td>38.8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>81.2m</td>
<td>46.9%</td>
<td>29.4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>35.3m</td>
<td>20.4%</td>
<td>21.2%</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td><strong>23.1m</strong></td>
<td><strong>13.3%</strong></td>
<td><strong>8.7%</strong></td>
</tr>
<tr>
<td>Net profit, attributable to owners of the parent</td>
<td>17.2m</td>
<td>9.9%</td>
<td>4.2%</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td><strong>32.1m</strong></td>
<td><strong>18.5%</strong></td>
<td><strong>72.5%</strong></td>
</tr>
</tbody>
</table>

Payout of an increased dividend of CHF 1.00 per share from capital reserves proposed.
## Revenue and EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (million CHF)</th>
<th>EBITDA (million CHF)</th>
</tr>
</thead>
<tbody>
<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>12.8</td>
</tr>
<tr>
<td>2010</td>
<td>112.8</td>
<td>27.7</td>
</tr>
<tr>
<td>2011</td>
<td>124.7</td>
<td>29.1</td>
</tr>
<tr>
<td>2012</td>
<td>173.1</td>
<td>35.3</td>
</tr>
</tbody>
</table>

**Comments**

- Strong revenue growth of 38.8% compared to 2011 (mostly organic)
- Growth of EBITDA of 21.2% compared to 2011
Markets trends

**Revenue split per market for 2012**

- **Automotive**
- **Industrial**
- **Consumer**

**Comments**

- Very strong growth in automotive market, both in first-mount and after-market applications
- Continued strong position in the industrial market, mainly fleet management and asset tracking applications
- Decline in consumer markets

Note: Estimate
Revenues by geography

Growth in all geographic regions
• Extraordinary growth in the Americas (+94.0%)
• Strong increase of +28.1% in EMEA
• Solid increase in Asia Pacific (+9.1%)

Good spread of revenues over all three regions

Note: based on customers’ billing location
Gross profit

Comments

- Increase in gross profit to CHF 81.2m in 2012
- Strong growth of gross profit of +29.4% compared to 2011
- Gross profit margin in 2012 of 46.9%, declined due to product mix towards wireless products
Shipments and ASP development

- Continued strong growth of module volume in 2012
- Increase of u-blox 6 chip shipments in 2012

**Modules**

![Graph showing the growth of module shipments with labels](image)

+ 36.1%

**GPS/GNSS chips**

![Graph showing the growth of GPS/GNSS chip shipments with labels](image)

+ 9.5%

Note: incl. Atmel-Chipset sales
Global customer base

- Strong and stable customer base
- More than 3’500 customers worldwide
- Good spread over different applications and geographical regions
- Largest customer accounts for less than 13% of total revenue in 2012
- 10 biggest customers account for 43% of total revenue in 2012
- No bad debtors
- Strong market and technology position with further potential for profitable growth
Distribution & marketing / Research & development

Distribution & marketing expenses

Research & development expenses

(million CHF)

D&M
% of revenues

(million CHF)

R&D
% of revenues

2008 2009 2010 2011 2012

2008 2009 2010 2011 2012
Employees

Employee breakdown (end of 2012, FTE based)

- Research & development: 63% (235 employees)
- Sales, marketing, support: 24% (88 employees)
- Logistics, admin: 13% (49 employees)

Total: 372 employees

Average employee level (2008 – 2012, FTE based)

- 2008: 94 FTE
- 2009: 164 FTE
- 2010: 195 FTE
- 2011: 215 FTE
- 2012: 260 FTE

(Average FTE)

Note: 71% of employees based outside Switzerland (spread over 13 countries)

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

Consolidated income statement (condensed)

<table>
<thead>
<tr>
<th></th>
<th>for the year ended December 31, 2012 (audited)</th>
<th>2011 (audited)</th>
<th>2012 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>173'128</td>
<td>124'704</td>
<td>77'653</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-91'949</td>
<td>-61'953</td>
<td>-42'197</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>81'179</td>
<td>62'751</td>
<td>35'456</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>-58'239</td>
<td>-41'807</td>
<td>-24'130</td>
</tr>
<tr>
<td>Other income</td>
<td>112</td>
<td>256</td>
<td>47</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>23'052</td>
<td>21'200</td>
<td>11'373</td>
</tr>
<tr>
<td>Finance income</td>
<td>922</td>
<td>1'034</td>
<td>516</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-2'436</td>
<td>-1'286</td>
<td>-574</td>
</tr>
<tr>
<td><strong>Profit before income tax (EBT)</strong></td>
<td>21'538</td>
<td>20'948</td>
<td>11'315</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-4'335</td>
<td>-4'440</td>
<td>-2'373</td>
</tr>
<tr>
<td><strong>Net profit, attributable to owners of the parent</strong></td>
<td>17'203</td>
<td>16'508</td>
<td>8'942</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>23'052</td>
<td>21'200</td>
<td>11'373</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12'240</td>
<td>7'919</td>
<td>2'733</td>
</tr>
<tr>
<td>EBITDA*)</td>
<td>35'292</td>
<td>29'119</td>
<td>14'106</td>
</tr>
</tbody>
</table>

**Comments**

- Revenue increase mostly organic
- Increased gross profit by 29.4%
- Higher OPEX due to acquisitions and investment in R&D
- EBITDA margin of 20.4%
- EBIT margin of 13.3%
- Tax rate of 20.1%
- Stock options cost in the amount of CHF 1.9m
- Finance costs contains unrealized/realized foreign exchange losses of CHF 1.8m (mainly due to currency effects of the translation of acquisitions)

*) Management calculates EBITDA (earnings before interest, taxes, depreciation and amortization) by adding back depreciation and amortization to operating profit (EBIT), in each case determined in accordance with IFRS.
## Segment information

<table>
<thead>
<tr>
<th>(in CHF 000s)</th>
<th>Positioning and 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>171'093</td>
<td>122'973</td>
<td>2'035</td>
<td>1'731</td>
<td>173'128</td>
</tr>
<tr>
<td>Revenue intragroup</td>
<td>12'323</td>
<td>7'484</td>
<td>12'323</td>
<td>7'484</td>
<td>-12'323</td>
</tr>
<tr>
<td>Total revenue</td>
<td>171'093</td>
<td>122'973</td>
<td>14'358</td>
<td>9'215</td>
<td>185'451</td>
</tr>
<tr>
<td>EBITDA&lt;sup&gt;*)&lt;/sup&gt;</td>
<td>32'663</td>
<td>27'424</td>
<td>2'919</td>
<td>2'009</td>
<td>35'582</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-2'204</td>
<td>-2'330</td>
<td>-763</td>
<td>-611</td>
<td>-2'967</td>
</tr>
<tr>
<td>Amortization</td>
<td>-7'716</td>
<td>-4'026</td>
<td>-1'557</td>
<td>-952</td>
<td>-9'273</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>22'743</td>
<td>21'068</td>
<td>599</td>
<td>446</td>
<td>23'342</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>*)</sup> Management calculates EBITDA (earnings before interest, taxes, depreciation and amortization) by adding back depreciation and amortization to operating profit (EBIT), in each case determined in accordance with IFRS.
**Statement of financial position (condensed)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>33'416</td>
<td>35'151</td>
<td>19'620</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>27'175</td>
<td>45'981</td>
<td>37'504</td>
</tr>
<tr>
<td>Trade accounts receivable</td>
<td>22'127</td>
<td>16'877</td>
<td>23'418</td>
</tr>
<tr>
<td>Other current assets</td>
<td>24'758</td>
<td>24'648</td>
<td>31'247</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>107'476</strong></td>
<td><strong>122'657</strong></td>
<td><strong>111'789</strong></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>7'078</td>
<td>5'331</td>
<td>5'835</td>
</tr>
<tr>
<td>Goodwill</td>
<td>37'659</td>
<td>17'137</td>
<td>23'907</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>33'682</td>
<td>15'965</td>
<td>23'648</td>
</tr>
<tr>
<td>Financial assets</td>
<td>1'195</td>
<td>425</td>
<td>469</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4'808</td>
<td>2'068</td>
<td>3'842</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>84'422</strong></td>
<td><strong>40'926</strong></td>
<td><strong>57'701</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>191'898</strong></td>
<td><strong>163'583</strong></td>
<td><strong>169'490</strong></td>
</tr>
</tbody>
</table>

**Comments**

- Very strong financial position with a liquidity (incl. marketable securities) of CHF 60.6m
- Inventory CHF 19.2m (WIP CHF 7.5m), a reduction of CHF 1.4m
- Good net working capital management
- Increase of trade accounts receivable due to higher revenue
- Goodwill increased due to three acquisitions
- No impairment on goodwill
- Increase of intangible assets due to acquisitions
## Statement of financial position (condensed)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>26'868</td>
<td>19'169</td>
<td>19'110</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>15'274</td>
<td>7'461</td>
<td>9'008</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>42'142</strong></td>
<td><strong>26'630</strong></td>
<td><strong>28'118</strong></td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>5'675</td>
<td>5'619</td>
<td>5'666</td>
</tr>
<tr>
<td>Share premium</td>
<td>102'672</td>
<td>105'367</td>
<td>101'582</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>41'409</td>
<td>25'967</td>
<td>34'124</td>
</tr>
<tr>
<td><strong>Total equity, attributable to owners of the parent</strong></td>
<td><strong>149'756</strong></td>
<td><strong>136'953</strong></td>
<td><strong>141'372</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td><strong>191'898</strong></td>
<td><strong>163'583</strong></td>
<td><strong>169'490</strong></td>
</tr>
</tbody>
</table>

### Comments

- No significant debt
- Trade accounts payable of CHF 8.3m in line with increasing business
- Non-current liabilities contains deferred tax liabilities and loans from acquisitions
- Share capital increase due to exercise of options
Statement of financial position

- Equity ratio at 78.0%
- Strong capital base supports further expansion of business
- Payout of a dividend of CHF 1.00 per share proposed to the Annual General Meeting, an increase of 11.1%
- Dividend payout ratio of 37.6% of net profit
Statement of cash flows

<table>
<thead>
<tr>
<th>Comments</th>
<th>Consolidated cash flow Statement (condensed)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended December 31,</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>32'088</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>-16'805</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>-15'618</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash and cash equivalents</strong></td>
<td>-335</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>35'151</td>
</tr>
<tr>
<td>Exchange losses on cash and cash equivalents</td>
<td>-1'400</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>33'416</td>
</tr>
</tbody>
</table>

**Comments**

- **Strong positive operational cash flow**
- **Investing activities:**
  - CHF 9.8m investments into intangible assets
  - CHF 4.3m investments into property, plant and equipment
  - CHF 22.0m net cash used for acquisitions
  - CHF 18.6m proceeds from sale of marketable security
- **Financing activities:**
  - CHF 11.1m repayment of loans in connection with acquisition of Cognovo
  - Dividend payment CHF 5.7m
  - Proceeds from issuance of ordinary shares of CHF 1.2m
  - CHF 1.0m currency effect of translation of acquisitions
locate, communicate, accelerate
THE CONNECTED CAR
Driving is enhanced by reliable mobile connectivity

Cost of electronics in cars
Today's cars are packed with networked electronics that provide navigation, safety, information and entertainment. The trend is increasing.

No matter how far you drive, u-blox positioning and wireless technology lets you take your world with you.

u-blox technology delivers highly reliable emergency call capabilities

SARA and LISA modules for Emergency Call

WORLD CAR NAVIGATION DEMAND 2014
10%

Estimated by Yole Research Institute, Japan

Source: Accenture, 2013
NAVIGATION

Mobility is knowing where you are, where you’re going, and what’s on the way

Thanks to satellite positioning technology, our phones, notebooks, tablets, and gaming devices know where you are, where you’ve been, where you’re going, as well as what and who is around you.
MOBILE INTERNET

Mobility is the freedom to be present, from anywhere.

4G (LTE) subscriber growth

Fastest growing standard in telecom history.

Deliver core technology that enhances mobility, increases efficiency, and expands visibility of people, devices and vehicles.
Growth driver mobility

INFRASTRUCTURE

Mobility relies on dependable wireless connectivity

Expansion of wireless networks for mobile communications

<table>
<thead>
<tr>
<th>Year</th>
<th>Small cells</th>
<th>Hot spot routers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.2 Million</td>
<td>7 Million hot spot routers</td>
</tr>
<tr>
<td>2016</td>
<td>3.0 Million</td>
<td>60 Million hot spot routers</td>
</tr>
</tbody>
</table>

Small cells
Growing cities demand concentrated connectivity. Small cells deliver high-speed Internet to thousands who work, shop and live within tight urban boundaries.

Hot spot routers
At concerts, meetings, and shows, mobile hotspots keep you connected anywhere, anytime, on any device.

u-blox: building the foundation for the mobile Internet

u-blox Timing & Wireless modules

Source: Infonetics Research, ABI Research
Growth driver mobility

**M2M COMMUNICATION**

Mobility for people and goods depends on networked machines

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**Fleet management devices for trucks in Europe**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total connected devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2 Mio</td>
</tr>
<tr>
<td>2015</td>
<td>5 Mio</td>
</tr>
<tr>
<td>2020</td>
<td>29 Billion</td>
</tr>
</tbody>
</table>

Source: Berg Insight, GSMA
## Various features and new products introduced in 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Type</th>
<th>Product launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb</td>
<td>Wireless</td>
<td><strong>LISA-U200</strong> and <strong>LISA-U230</strong>: 3G modules that support all global UMTS standards</td>
</tr>
<tr>
<td>Apr</td>
<td>GNSS</td>
<td><strong>LEA-6N</strong>: Low-power, module that supports Russian Glonass system.</td>
</tr>
<tr>
<td>Jun</td>
<td>GNSS</td>
<td><strong>u-blox 7</strong>: 7th generation positioning platform.</td>
</tr>
<tr>
<td>Sep</td>
<td>Wireless</td>
<td><strong>LISA-U260</strong> and <strong>LISA-U270</strong>: Low cost 3G modems</td>
</tr>
<tr>
<td>Oct</td>
<td>Wireless</td>
<td><strong>SARA</strong>: low-power GSM/GPRS module series</td>
</tr>
<tr>
<td>Oct</td>
<td>GNSS</td>
<td><strong>MAX-7, NEO-7</strong> and <strong>LEA-7</strong>: Upgrade of modules to u-blox 7 platform</td>
</tr>
<tr>
<td>Nov</td>
<td>GNSS</td>
<td><strong>IT530M</strong> and <strong>UC530M</strong>: parallel GPS/GLONASS receivers with integrated antenna variant.</td>
</tr>
</tbody>
</table>
Commercial highlights (1)

Increased diversification in consumer markets

u-blox expanded in new consumer markets such as portable healthcare devices

- Yupiteru, Japan
  Radar Detector
- LostNFound, CH
  Wristwatch patient monitor
- Raymarine, UK
  Marine display
- MobileHelp, US
  Medical alert system
Commercial highlights (2)

Increased penetration of industrial markets
The industrial market continued to be the strongest performing sector in 2012

Grace Industries, US  
Personal tracking device

Starcom, Israel  
High-security padlock

Romserta, India  
Vehicle tracking device
Commercial highlights (3)

Increased penetration of automotive markets
Expanded leading positioning as preferred supplier of GPS/GNSS chips to major suppliers of automotive navigation and telematics equipment.

Tier-1 automotive suppliers
In-dash navigation systems

Foryou General Electronics, China
In-car infotainment systems

Digital Matter, South Africa
GPS logging device
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Strategy
### Strategic priorities 2013 (1)

#### Technology and innovation

**Outlook 2013**
- Introduce first 4G(LTE) modules to target industrial, automotive and consumer markets
- Launch positioning platform for the Chinese BeiDou positioning market
- Market penetration with products designed for the Russian ERA-GLONASS emergency call devices
- Develop and launch next-generation successor products of Fastrax positioning modules based on u-blox platform
- Bring to market variants of existing products dedicated to specific customer and regional/operator requirements

#### Market Position

**Outlook 2013**
- Continue growth momentum in all regions
- Capitalize on economic recovery in China plus compatibility with the Chinese BeiDou satellite navigation system to achieve growth
- Maintain our strong momentum in the global automotive markets
- Continue dominance in the industrial vehicle and asset tracking sectors and exploit new machine-to-machine (M2M) market opportunities
### Strategic priorities 2013 (2)

#### Operation excellence

**Outlook 2013**

- Further increase production capacity to meet customer demands
- Expand program management system across newly expanded product development activities
- Strive for higher operational efficiency

#### Strategic partnership and acquisition opportunities

**Outlook 2013**

- Continue to deploy and evaluate new and complementary technologies to maximize our growth potential in both positioning and wireless sectors
- Expand relationship with our customers for delivering more values to their products
- Establish more partnerships for easy access to our technologies
# Opportunity: Expanding our position in M2M

## Current Business Model

<table>
<thead>
<tr>
<th>Applications</th>
<th>Products</th>
<th>Chips</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPS/GNSS</td>
<td>GPS/GNSS &amp; Wireless</td>
<td>Wireless</td>
</tr>
<tr>
<td>Marine, Smartphones, Recreational devices</td>
<td>Notebooks, Vehicle and fleet tracking, OEM telematics</td>
<td>Smart metering, Payment terminals, Mobile internet</td>
</tr>
</tbody>
</table>

- **Positioning** markets served with own chip and firmware
- **Positioning modules** contain u-blox chip
- **Wireless products** contain own software for adaptation to M2M markets
- **Wireless modules** employ third party chipsets
## Strategy: Expanding our position in M2M

### Strategy 2012 onwards

<table>
<thead>
<tr>
<th>Applications</th>
<th>Products</th>
<th>Chips</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPS/GNSS</td>
<td>Modules</td>
<td>Based on u-blox chip</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GPS/GNSS &amp; Wireless</td>
<td></td>
<td>Based on u-blox chip</td>
</tr>
<tr>
<td>Wireless</td>
<td></td>
<td>Based on u-blox chip</td>
</tr>
</tbody>
</table>

### Complete positioning & wireless offering

- **GPS/GNSS**
  - Marine, Smartphones, Recreational devices

- **GPS/GNSS & Wireless**
  - Notebooks, Vehicle and fleet tracking, OEM telematics

- **Wireless**
  - Smart metering, Payment terminals, Mobile internet

- Positioning markets served with own chip and firmware
- Positioning modules contain u-blox chip
- Wireless modules with u-blox chip and software, targeted at M2M markets
- Positioning and wireless technologies converge
Complete product portfolio solves our customers’ needs

Our complete offering will simplify industrial application deployment with targeted products

<table>
<thead>
<tr>
<th>Customer needs</th>
<th>u-blox solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Low power</td>
<td>• Dedicated M2M chip</td>
</tr>
<tr>
<td>• High quality</td>
<td>• Standard and Automotive grade</td>
</tr>
<tr>
<td>• Long life time</td>
<td>• Long life time availability</td>
</tr>
<tr>
<td>• Low cost</td>
<td>• Cost-effective technology</td>
</tr>
<tr>
<td>• Hybrid positioning</td>
<td></td>
</tr>
</tbody>
</table>
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Outlook
Outlook

Goals

- Grow business with new products
  - Wireless
    - Expansion of module product line
- Positioning
  - Migration to u-blox 7
  - Expansion of module product line
- Continued focus on strategic development
- Strengthening of the global presence
- Operational excellence for higher efficiency

Financial performance outlook 2013

- Continued strong business growth in 2013
- Natural hedging maintains relative gross margin against foreign exchange variations
- Some impact by product mix on relative gross margin
- Exchange rate assumptions for 2013:
  - EUR/CHF: 1.20
  - USD/CHF: 0.95

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2011</th>
<th>Actual FY 2012</th>
<th>Guidance 2013*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>124.7m</td>
<td>173.1m</td>
<td>ca. 215m</td>
</tr>
<tr>
<td>EBIT</td>
<td>21.2m</td>
<td>23.1m</td>
<td>ca. 28m</td>
</tr>
</tbody>
</table>

*) This guidance is based on the absence of unforeseen economic adversity and exchange rates assumed at budget level.
Upcoming events

- Latest registration date for AGM: April 17, 2013
- Annual General Meeting 2012: April 24, 2013
- Shares traded ex dividend: April 26, 2013
- Dividend payout: May 2, 2013
- Half-year results 2013: September 5, 2013
Thank you!

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