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Annual results 2010 u-blox Holding AG

March 17, 2011

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Disclaimer

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Agenda

- Introduction
- Highlights 2010
- Financial results
- Business update
- Outlook 2011
- Q&A

u-blox group 2010 at a glance

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

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

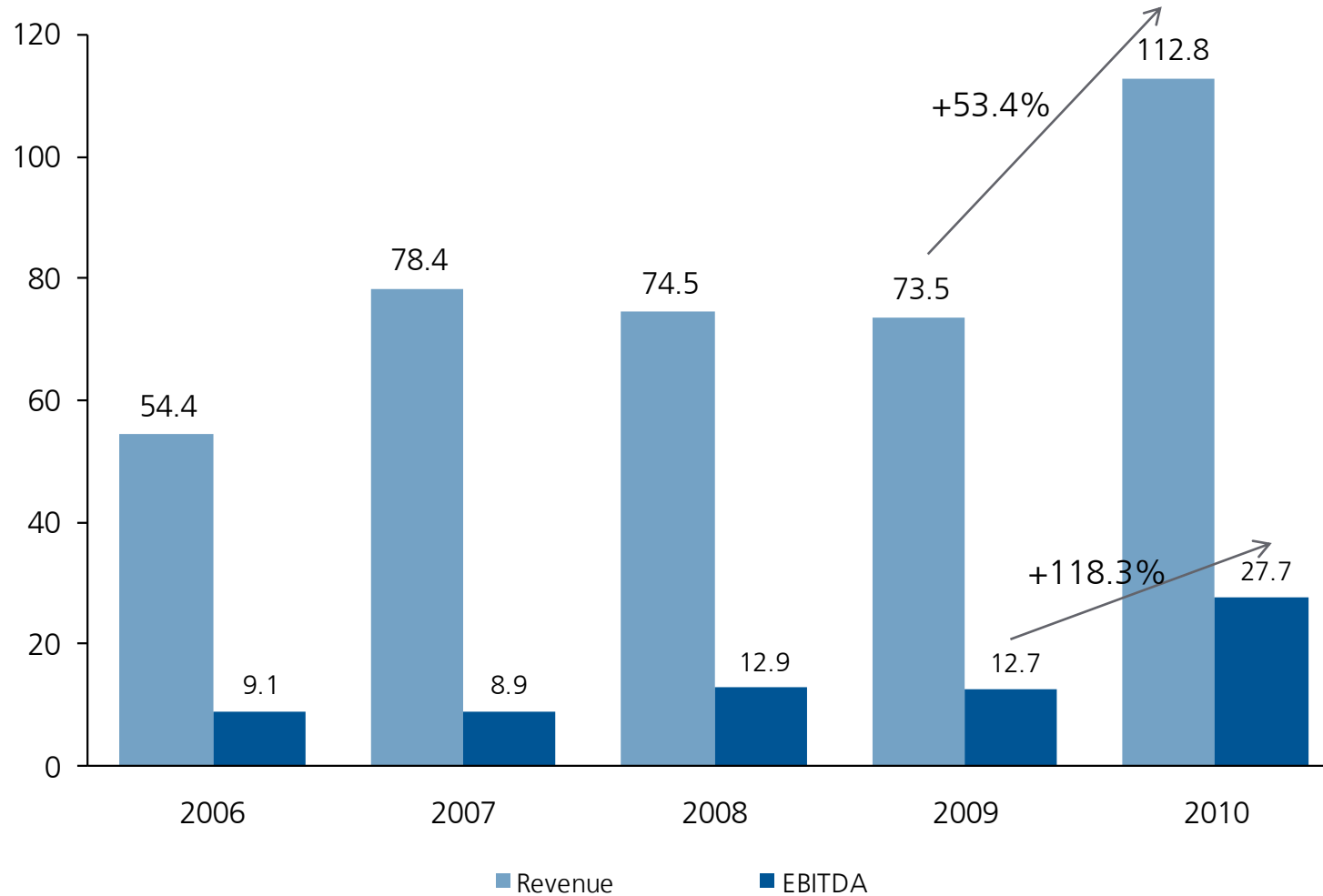
- GPS platform u-blox 6 ramped production and successful migration
- Expanded GPS technology with patents from Air Semiconductor
- Launch of the world's smallest 3.75G wireless module LISA
- Global certification of wireless modules
- Penetration of automotive market with dead-reckoning solution
- Strong 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



GPS chip G6010

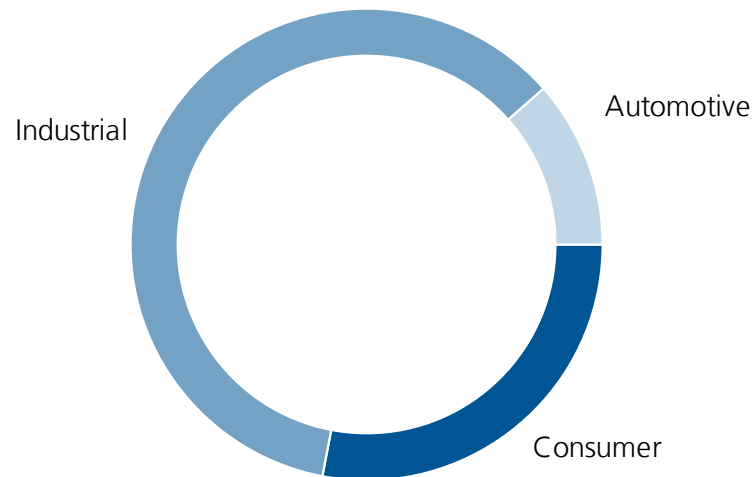
Revenue and EBITDA

(CHF in million)



Markets trends

Revenue split by markets for 2010



Comments

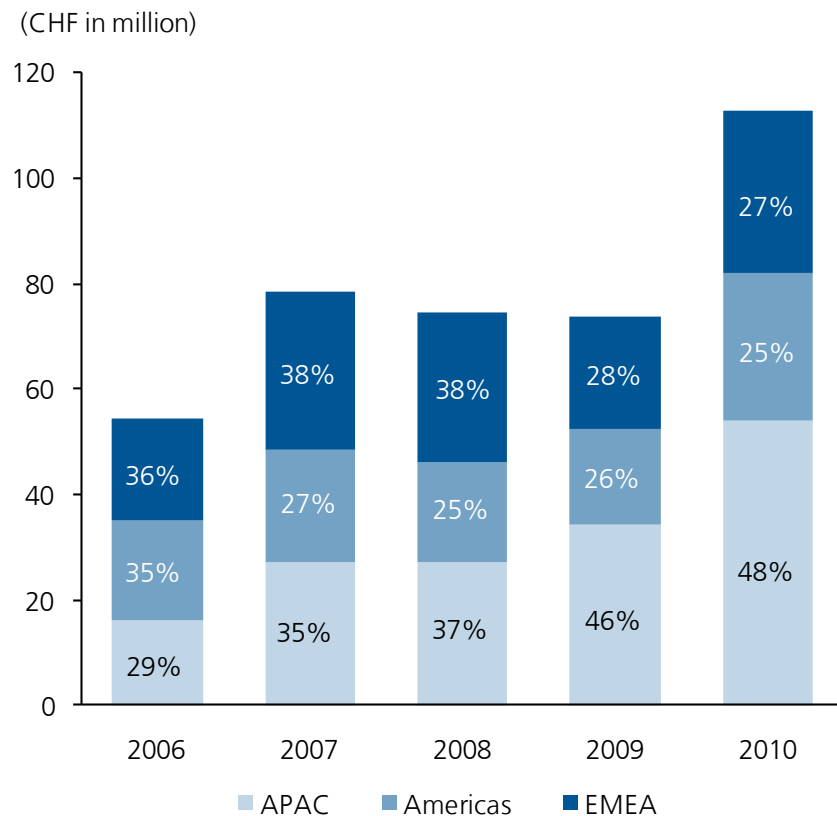
- Continued strong foot hold in the industrial market, led by vehicle and asset tracking applications
- Consumer market mainly growing in Asia with mobile phones and people tracking devices
- Automotive market grew stronger than overall sales, lead by in-car navigation and emergency call systems.

Note: Estimate

Revenue by geographic region

Revenue by geographic region

Comments

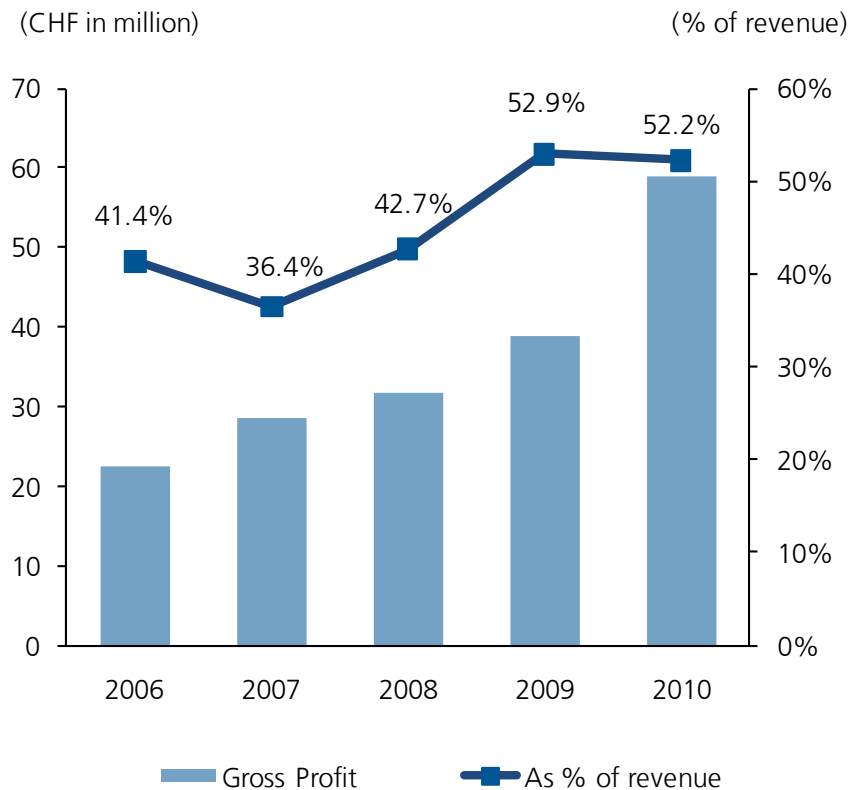


- Strong growth in all regions
 - Largest increase in APAC (+58.2%)
 - Growth of +52.2% in Americas
 - +46.7% increase in EMEA

Note: based on customers' location

Gross profit

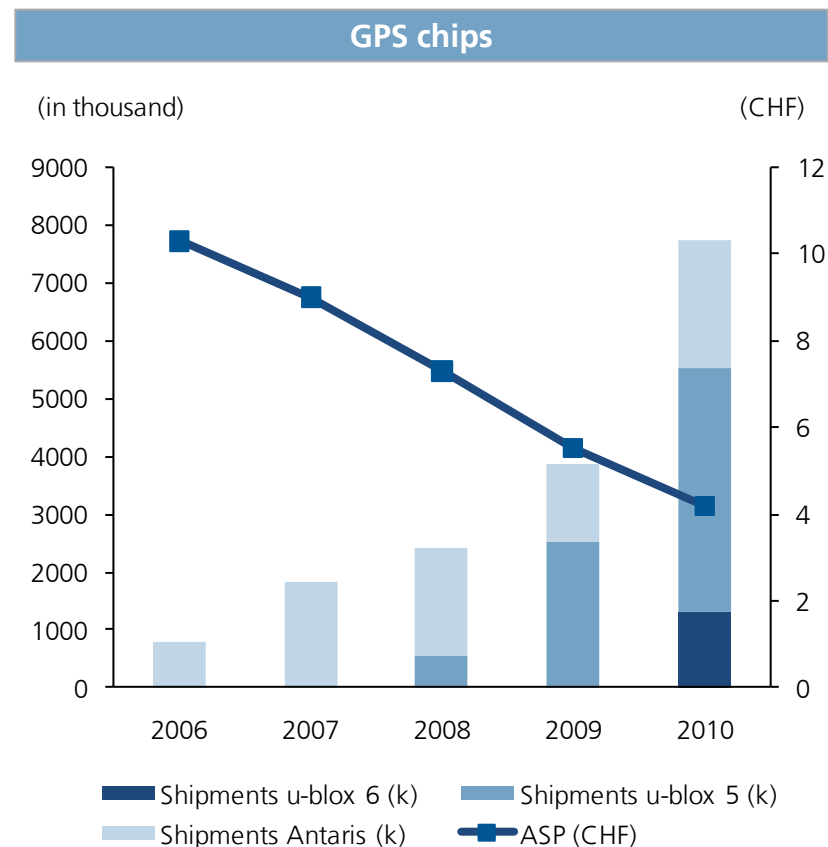
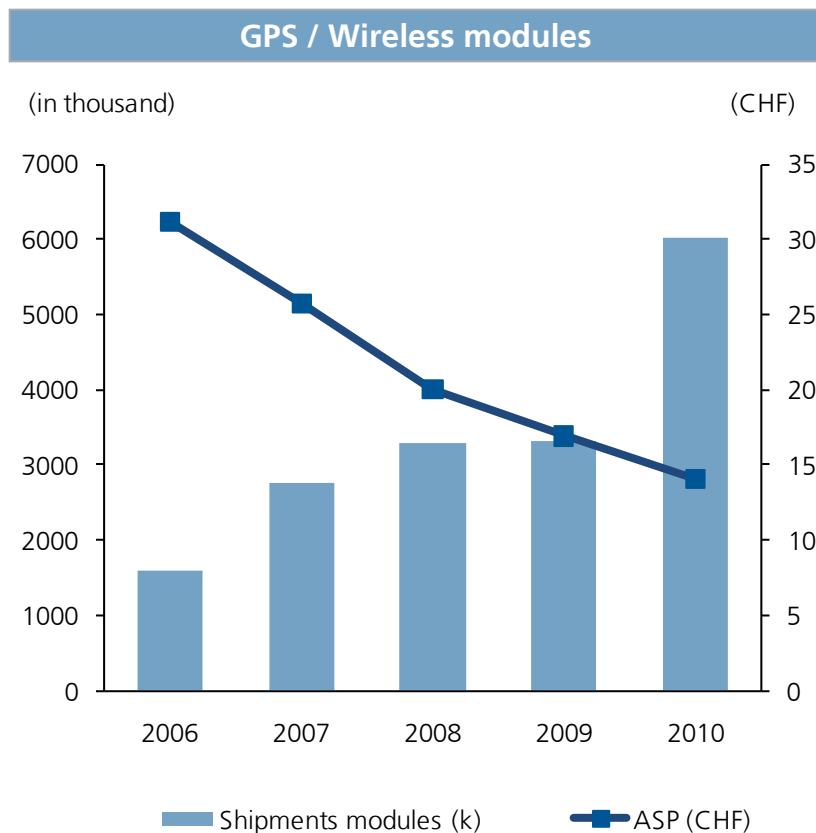
Gross profit / Gross profit margin



Comments

- 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

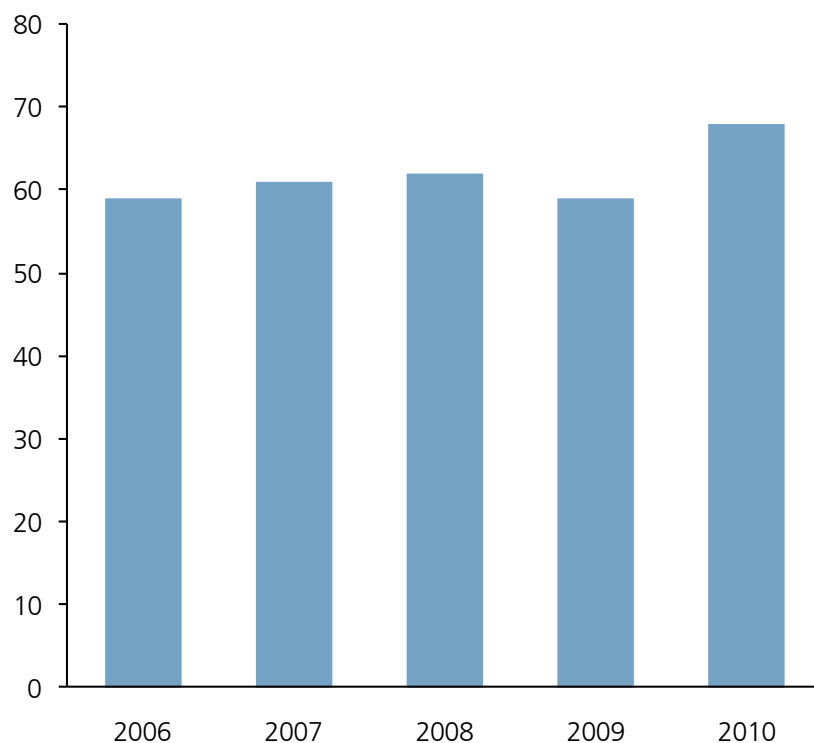


Note: incl. Atmel-Chipset sales

- 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

Global customer base

Number of customers totaling 80% of revenue

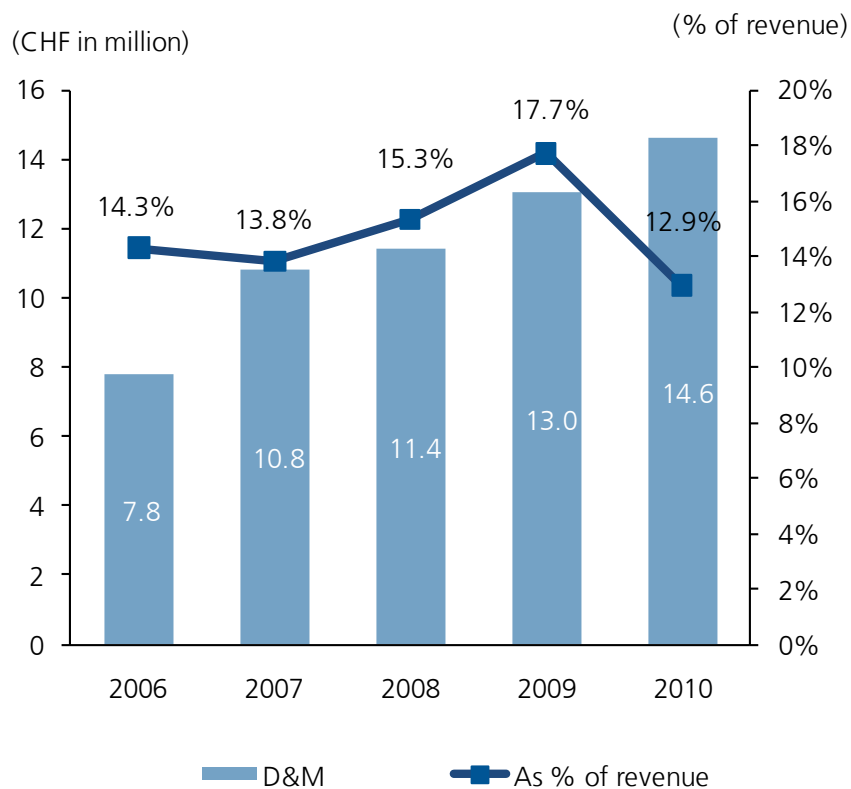


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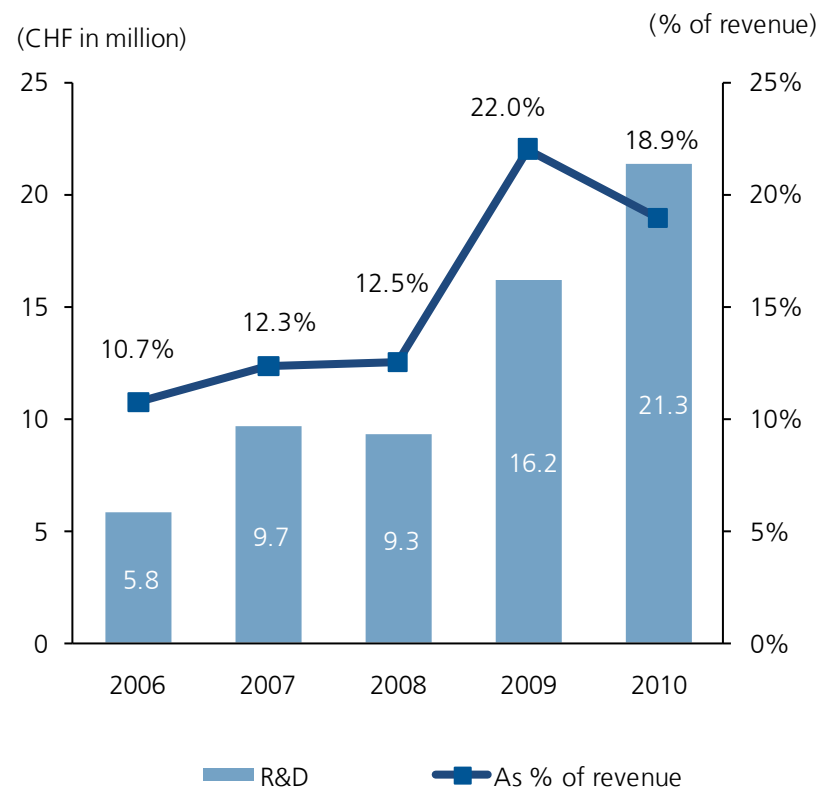
- Strong and stable customer base
- More than 3000 customers world-wide
- Good spread over various applications and all geographical regions
- Largest customer accounts for less than 5% of total revenue in 2010
- 10 biggest customers account for 34% of total revenue in 2010

Distribution & marketing / Research & development

Distribution & marketing expenses

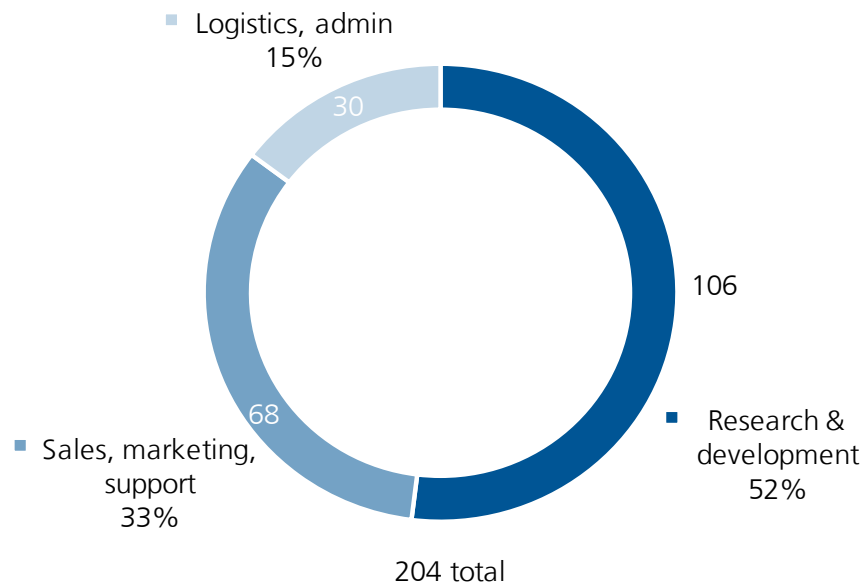


Research & development expenses



Personnel

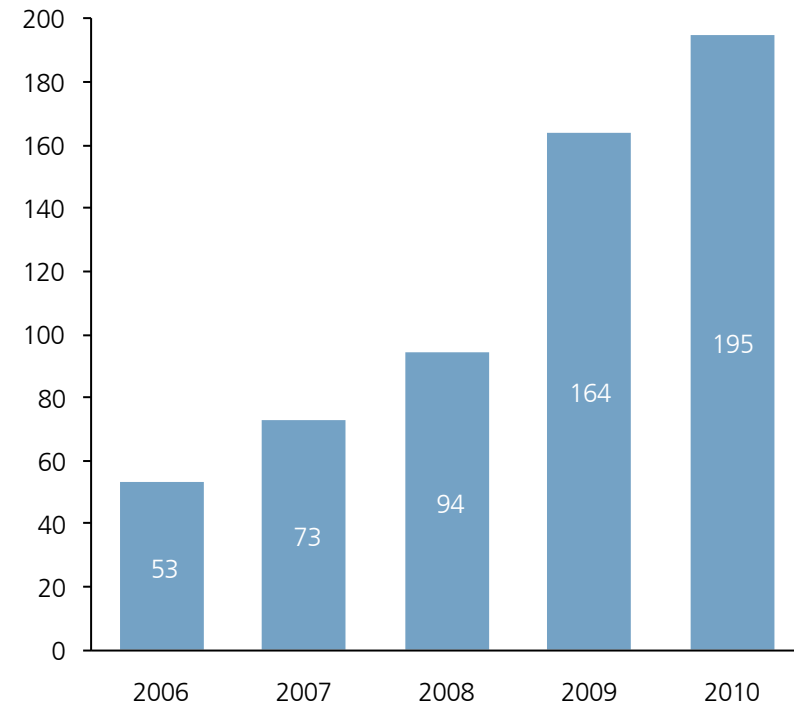
Employee breakdown (end of 2010, FTE based)



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

Employee Development (2006 – 2010)

(Average FTE)



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

Income statement

Consolidated income statement (condensed)

(in CHF 000s)	for the year ended December 31,			
	2010		2009	
		% revenue		% revenue
Revenue	112'781	100.0%	73'527	100.0%
% growth	53.4%			
Cost of revenue	-53'921	-47.8%	-34'644	-47.1%
Gross profit	58'860	52.2%	38'883	52.9%
Operating expenses	-41'159	-36.5%	-33'781	-45.9%
Other income	1'370	1.2%	84	0.1%
Profit from operations (EBIT)	19'071	16.9%	5'186	7.1%
Financial income	942	0.8%	251	0.3%
Finance costs	-3'546	-3.1%	-1'490	-2.0%
Profit before income tax (EBT)	16'467	14.6%	3'947	5.4%
Income tax expense	-3'551	-3.1%	-621	-0.8%
Net profit	12'916	11.5%	3'326	4.5%
Depreciation and amortization	8'612	7.6%	7'495	10.2%
EBITDA (1)	27'683	24.5%	12'681	17.2%
EBITDA growth	118.3%			
Net profit growth	288.3%			

(1) EBITDA (earnings before interest, taxes, depreciation and amortization) calculated by adding depreciation and amortization to profit from operations (EBIT), in each case determined in accordance with IFRS.

Comments

- 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

Statement of financial position (condensed)

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

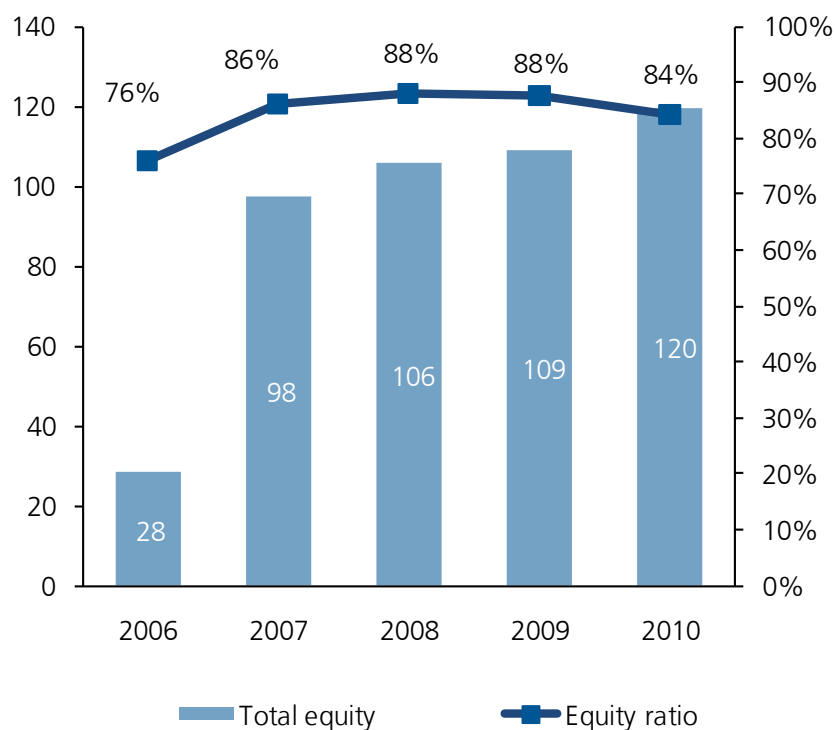
Comments

- 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

(CHF in million)



Comments

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

Statement of cash flows

Consolidated cash flow Statement (condensed)

	For the year ended December 31,	
(in CHF 000s)	2010	2009
Net cash provided by operating activities	20'671	14'736
Net cash used in investing activities	-13'589	-31'774
Net cash used in financing activities	-4	-6
Net increase/(decrease) in cash and cash equivalents	7'078	-17'044
Cash and cash equivalents at beginning of period	20'153	37'147
Effect of exchange rate fluctuations on cash and cash equivalents	-2'047	50
Cash and cash equivalents at end of period	25'184	20'153

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

	GPS / Wireless products		Wireless services 1)		Total reportable segments		Non allocated / eliminations		Group	
(in CHF 000s)	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue third	110'288	70'056	2'493	3'471	112'781	73'527	0	0	112'781	73'527
Revenue intragroup	0	0	4'506	1'353	4'506	1'353	-4'506	-1'353	0	0
Total revenue	110'288	70'056	6'999	4'824	117'287	74'880	-4'506	-1'353	112'781	73'527
EBITDA	25'944	12'803	1'979	103	27'923	12'906	-240	-225	27'683	12'681
Depreciation	-2'076	-1'982	-616	-480	-2'692	-2'462	0	0	-2'692	-2'462
Amortization	-4'911	-4'618	-1'009	-415	-5'920	-5'033	0	0	-5'920	-5'033
EBIT	18'957	6'203	354	-792	19'311	5'411	-240	-225	19'071	5'186
Financial income							942	251	942	251
Finance costs							-3'546	-1'490	-3'546	-1'490
EBT							-2'844	-1'464	16'467	3'947
Assets	59'459	48'597	5'884	6'493	65'343	55'090	76'957	69'929	142'300	125'019
Liabilities	18'868	12'181	2'799	2'387	21'667	14'568	782	1'010	22'449	15'578
Capital expenditures	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



Business review

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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

Automatic
road pricing
GPS & Wireless

Stolen vehicle
recovery
GPS & Wireless

Emergency call
GPS & Wireless

Mobile Internet
Wireless

Vehicle
black-box
GPS & Wireless

Navigation
GPS & Wireless



Commercial highlights: Automotive market

- Growing strong position in the automotive market



Coagent , China
In-car entertainment



Major car electronics vendors
In-car entertainment

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”



LISA – the world's smallest 3G module

Strong acceptance of LEON wireless module

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

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

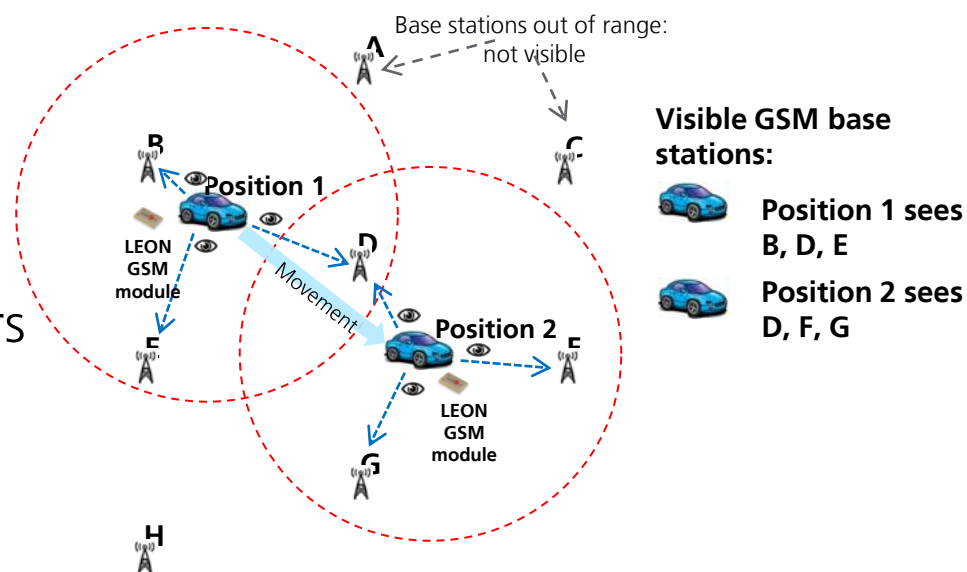
CellLocate – LEON GSM module feature


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



A man and a woman are standing outdoors in a city. The man, wearing a light blue button-down shirt, is holding a smartphone and pointing his right index finger towards a tall church spire in the background. The woman, wearing an orange cardigan and carrying a plaid backpack, is looking at the phone and smiling. The background shows a clear blue sky and the architecture of a city, including the prominent church spire.

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Outlook 2011

Strategic achievements and priorities 2011 (1)

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

2

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)

3

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

4

Strategic partnership and acquisition opportunities

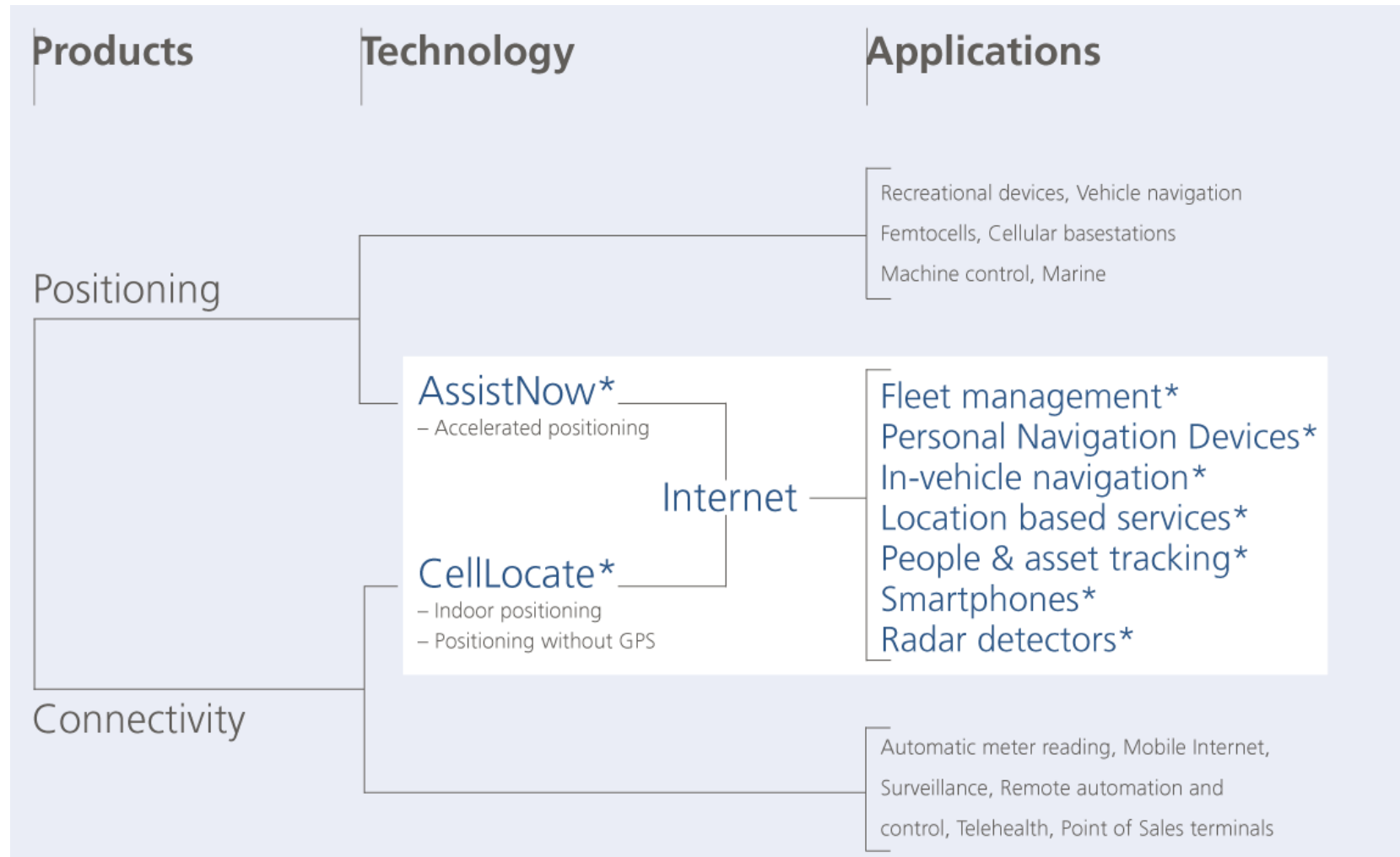
Achievements 2010

- 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



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

	Guidance 2011
Revenue	140
EBIT	Approx. 25

in MCHF

Calendar

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

Thank you!

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