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H1 / 2009 results u-blox Holding AG

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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

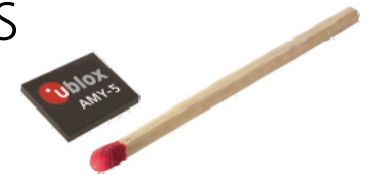
- Financials H1 / 2009
- Business update
- Outlook H2 / 2009

u-blox group H1 / 2009 at a glance

- H1 / 2009 sales: CHF 34.1 million
 - Sales decline from H1 / 2008 to H1 / 2009: -15.4%
- Increased gross profit: 54.0% gross profit margin
- Adjusted H1 / 2009 EBITDA: CHF 5.5 million
 - H1 / 2009 adjusted EBITDA margin: 16.2%,
- H1 / 2009 net profit: CHF 1.5 million
 - H1 / 2009 net profit margin: 4.5 %,
 - Net profit decline from H1 / 2008 to H1 / 2009 : -58.3%
- H1 / 2009 net operating cash flow: CHF 4.0 million

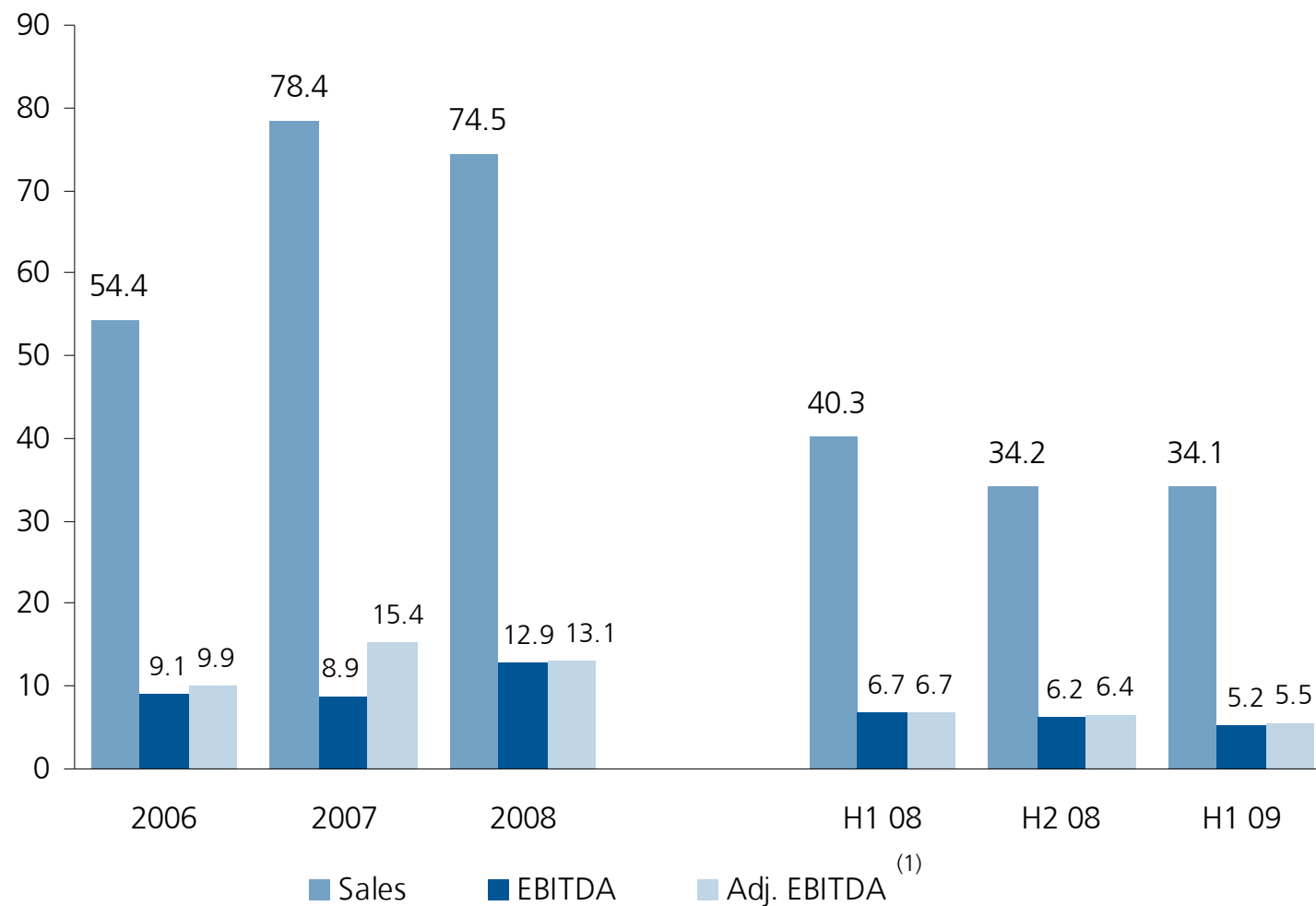
u-blox group H1 / 2009 operational highlights

- Successful acquisition and integration of Neonseven, an established technology provider for embedded mobile communications, and Geotate, a software GPS specialist
- Launch of our first GSM/GPRS module LEON based on Neonseven technology
- Expansion of wireless capabilities for 3G
- Three quarters of existing GPS module customers successfully migrated to the new u-blox 5 platform
- A large number of design-ins of the new AMY small-form factor GPS module on a global basis, with the first customer announcement made in the USA for the SPOT personal satellite messenger
- Strong growth of sales in Asia Pacific, decline of business in Americas and EMEA



Sales and EBITDA growth

(CHF in million)



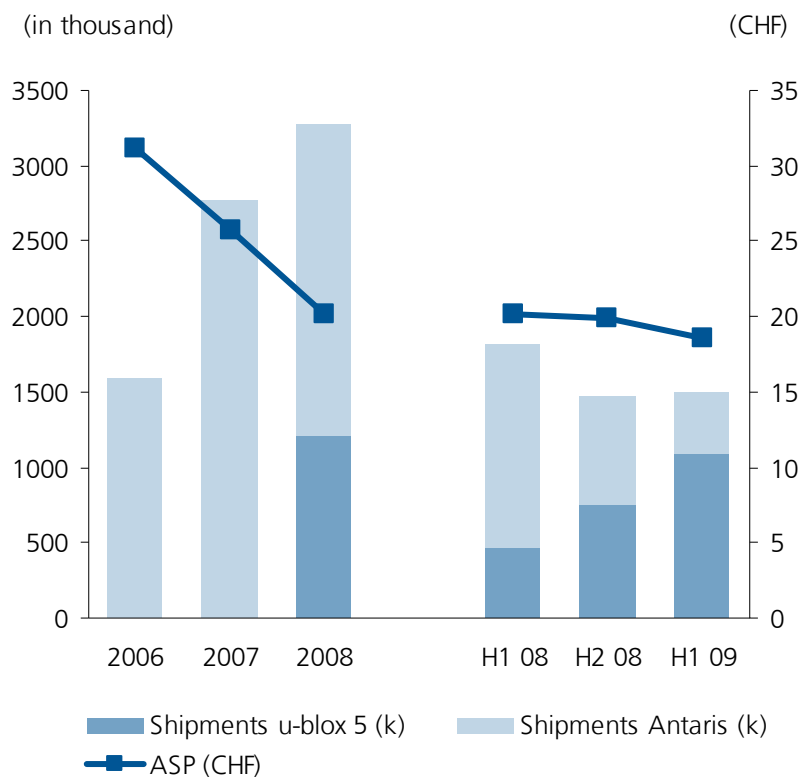
¹ Adjusted EBITDA excludes share-based payments and related social security costs as well as provisions for potential litigation and legal fees



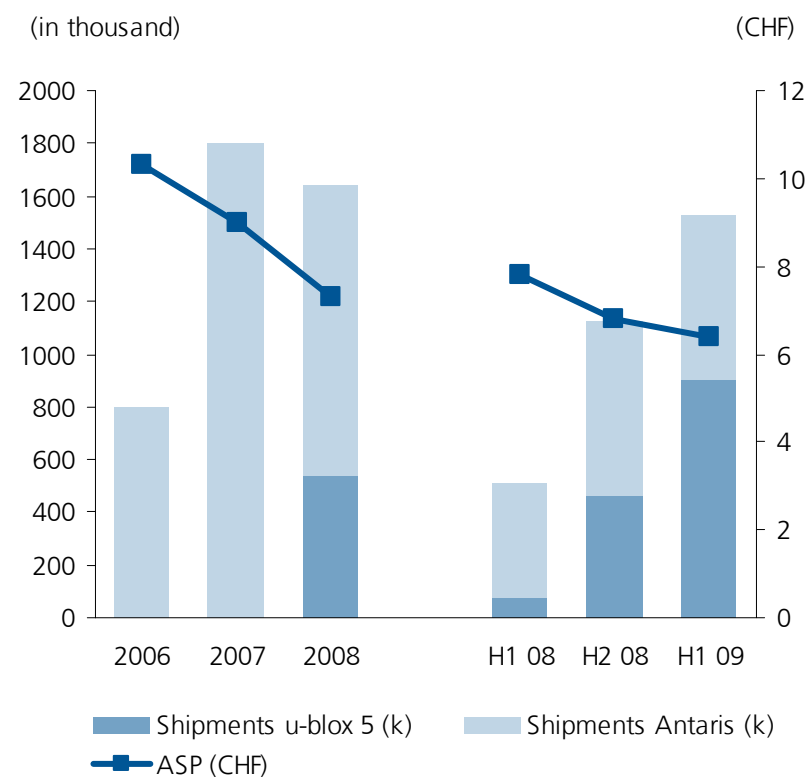
Shipments and ASP development

- Strong increase of u-blox 5 chip shipments in H1/09
- 73% of GPS module shipments based on u-blox 5 in H1/09

GPS modules



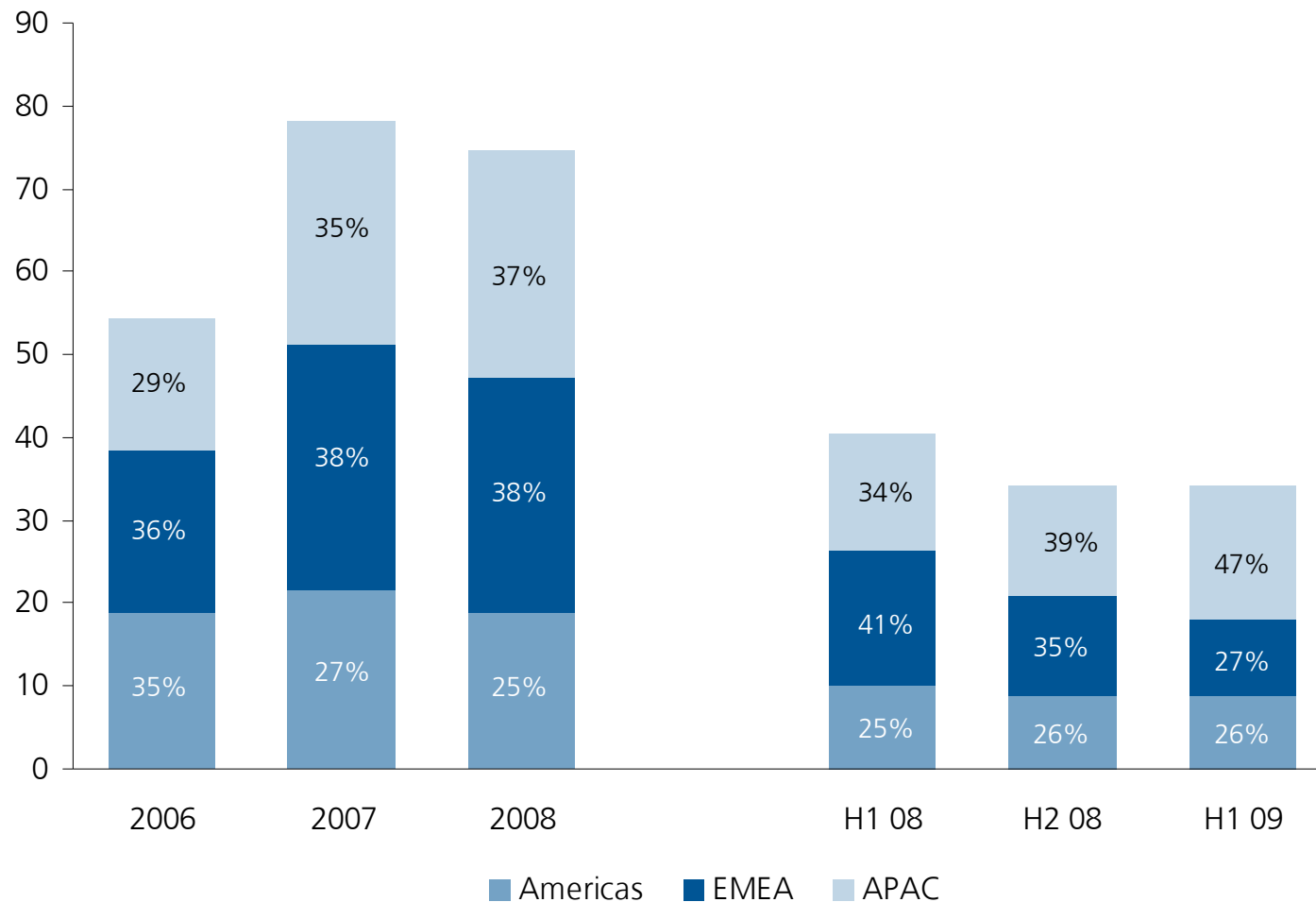
GPS chips



Note: incl. Atmel-Chipset sales

Sales by geographic region

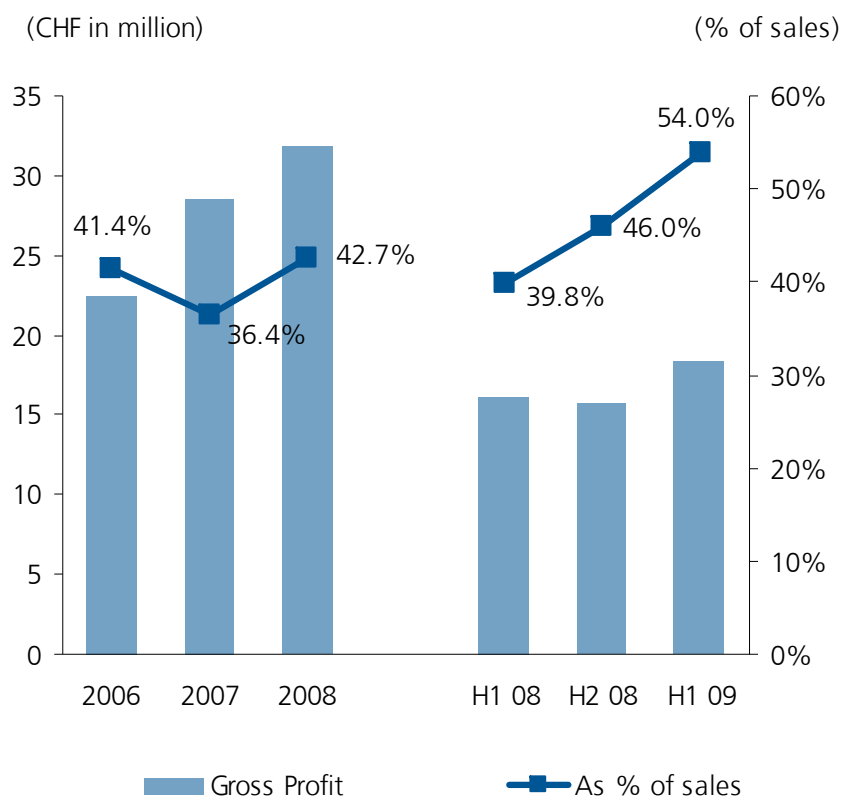
(CHF in million)



Note: based on customers' location

Gross profit

Gross profit / Gross profit margin

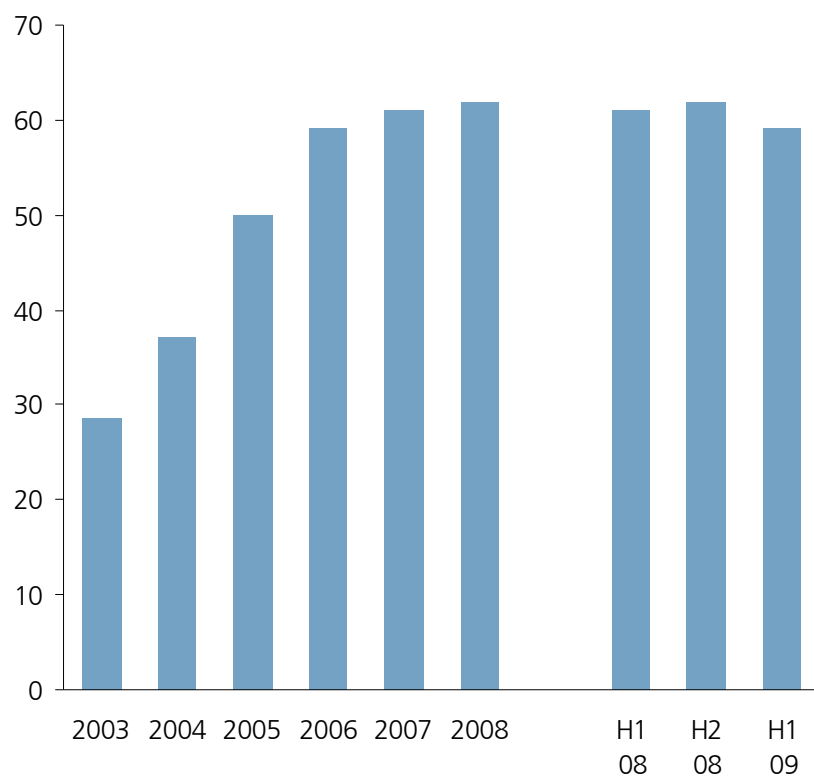


Comments

- Strong increase in gross profit margin in H1/09 – the u-blox 5 platform provided for growth in gross profit margin as predicted

Global customer base

Number of customers totaling 80% of sales

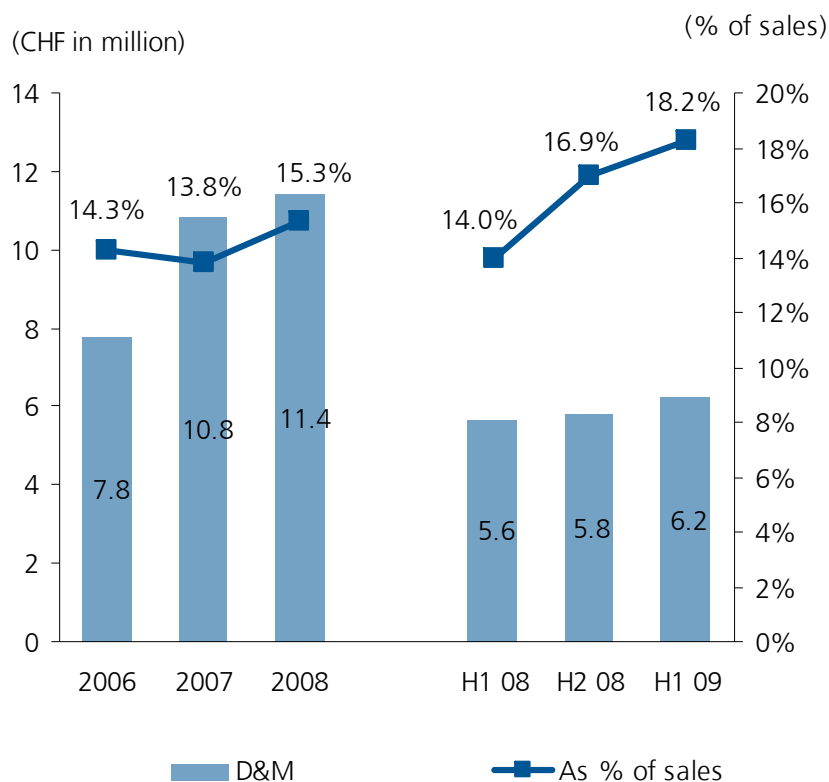


Comments

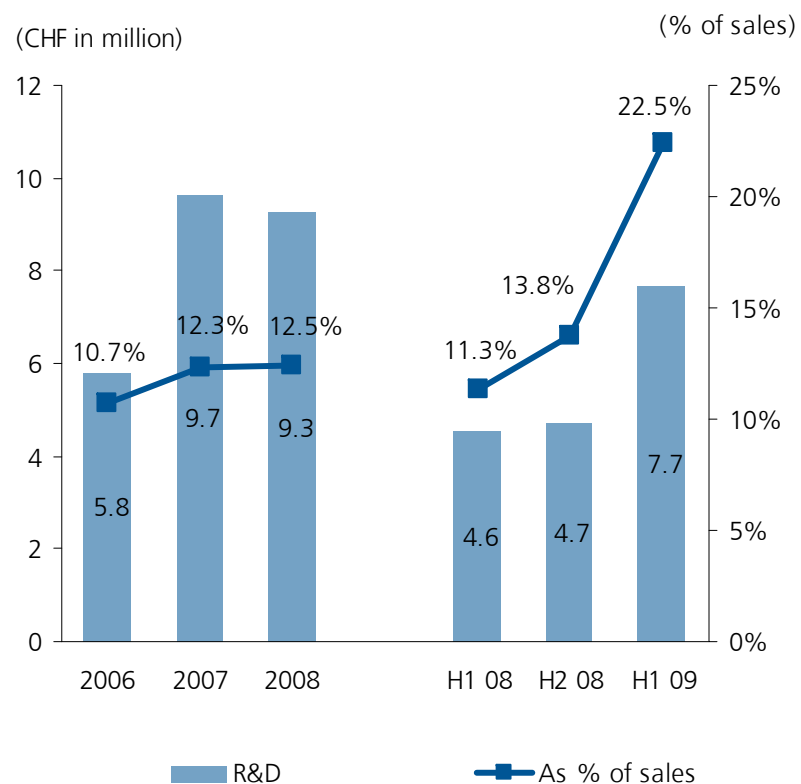
- Strong customer base
- Good spread over different applications and geographical regions
- Largest customer accounts for less than 5.2% of total sales in H1/09
- 10 biggest customers account for 36% of total sales in H1/09
- No bad debtors

Distribution & marketing / Research & development

Distribution & marketing expenses



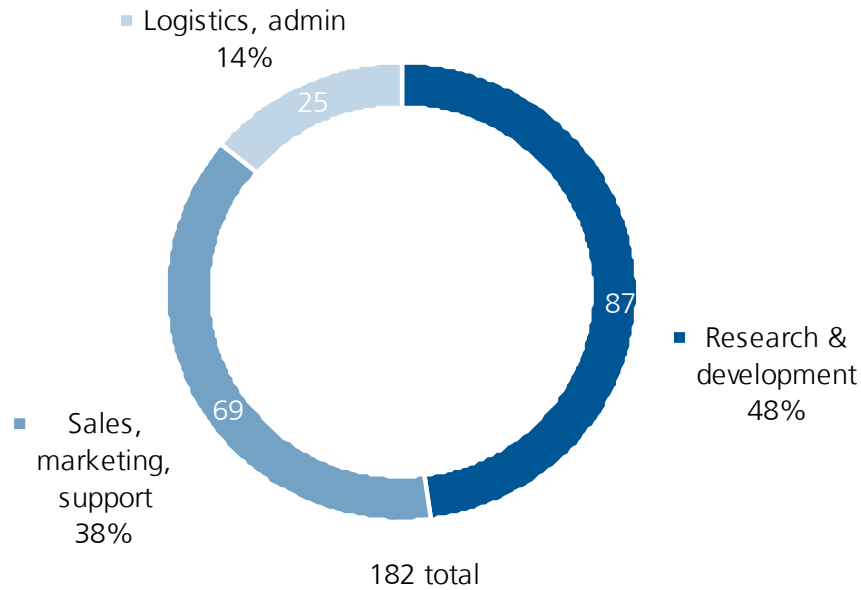
Research & development expenses



Note: Numbers are not adjusted for share-based payments and related social security costs

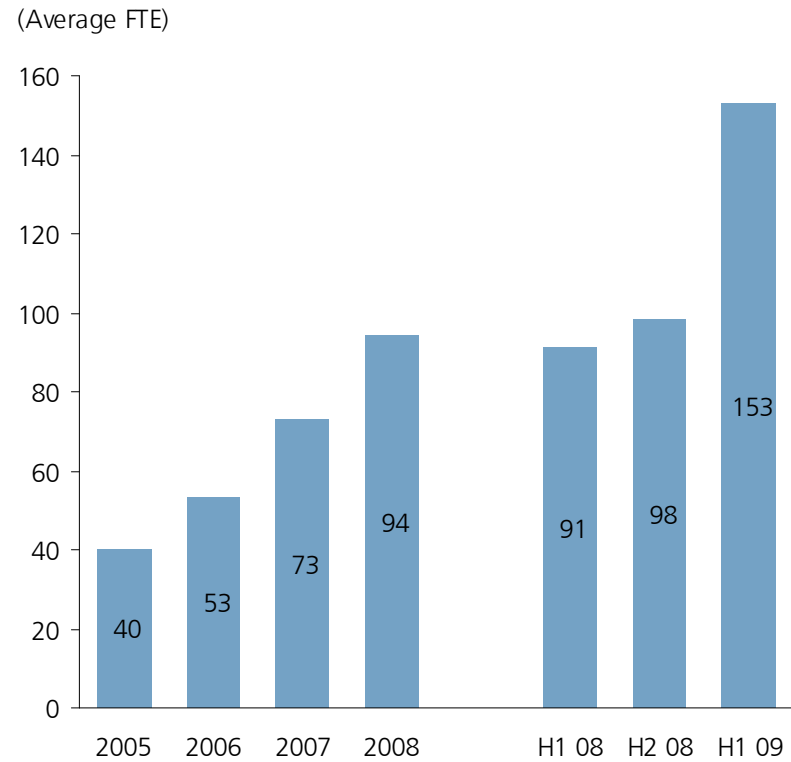
Personnel

Employee breakdown (end of H1/09, FTE based)



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

Employee Development (2005 – H1/09)



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

Acquisition of Neonseven S.p.A.

Purchase price

- Total purchase price: CHF 14.2m
 - Cash payment: CHF 12.5m
 - Other payables: CHF 1.5m
 - Transaction costs: CHF 0.2m
- Conditional payment based on technical performance criteria (up to CHF 1.5m) is fully considered in the books

Net cash outflow 2009

- CHF 16.2m (incl. repayment of debt)

Purchase price allocation

- Customer relationships: CHF 0.5m
- Acquired technology: CHF 0.6m
- Other assets: CHF 4.4m
- Liabilities: CHF 5.8m
- Goodwill: CHF 14.5m
- Consolidation as of April 1, 2009

Acquisition of Geotate B.V.

Purchase price

- Total purchase price: CHF 8.5m
 - Cash payment: CHF 5.3m
 - License payment: CHF 3.0m
 - Transaction costs: CHF 0.2m

Net cash outflow 2009

- CHF 8.4m

Purchase price allocation

- Acquired technology: CHF 4.5m
- Intellectual property rights: CHF 3.0m
- Other assets: CHF 0.5m
- Liabilities: CHF 2.5m
- Goodwill: CHF 3m
- Restructuring cost allocated to opening balance
- Consolidation as of April 1, 2009

Income statement

Consolidated interim income statement (condensed)

(in CHF 000s)	Jan. - June		Jan. - Dec.
	2009	2008	2008
	(unaudited)	(unaudited)	(audited)
Sales	34'131	40'322	74'506
<i>% growth</i>	<i>-15.4%</i>		
Cost of sales	-15'713	-24'256	-42'710
Gross profit	18'418	16'066	31'796
<i>% gross profit margin</i>	<i>54.0%</i>	<i>39.8%</i>	<i>42.7%</i>
Operating expenses	-16'161	-11'550	-23'385
Profit from operations (EBIT)	2'257	4'516	8'411
<i>% EBIT margin</i>	<i>6.6%</i>	<i>11.2%</i>	<i>11.3%</i>
Financial income	165	1'205	2'268
Finance costs	-610	-1'276	-7
Profit before income tax (EBT)	1'812	4'445	10'672
<i>% EBT margin</i>	<i>5.3%</i>	<i>11.0%</i>	<i>14.3%</i>
Income tax expense	-274	-754	-1'911
Net profit	1'538	3'691	8'761
<i>% net profit margin</i>	<i>4.5%</i>	<i>9.2%</i>	<i>11.8%</i>
Depreciation and amortization	2'929	2'143	4'466
EBITDA (unaudited)	5'186	6'659	12'877
<i>% EBITDA margin</i>	<i>15.2%</i>	<i>16.5%</i>	<i>17.3%</i>

Comments

- Sales decline of 15.4% from H1/08 to H1/09; stable sales from H2/08 to H1/09
- Increased gross profit by +14.6%
- Higher gross profit margin 54.0% due to migration to u-blox 5 and product-mix
- Higher operating expenses due to the acquisition of Neonseven and Geotate
- EBITDA margin of 15.2% (adj. EBITDA: 16.2%)
- EBIT margin of 6.6%
- Little adjustment in H1 / 09: Stock options cost in the amount of CHF 0.3m

Statement of financial position

Statement of financial position (condensed)

(in CHF 000s)	June 30, 2009 (unaudited)	June 30, 2008 (unaudited)	Dec. 31, 2008 (audited)
ASSETS			
Current assets			
Cash and cash equivalents	53'528	82'819	37'147
Short-term investments	7'500	5'000	47'500
Trade accounts receivable	9'162	10'107	5'940
Inventory	9'998	3'902	15'584
Other current assets	4'194	2'590	4'081
<i>Total current assets</i>	<u>84'382</u>	<u>104'418</u>	<u>110'252</u>
Non-current assets			
Property, plant and equipment	3'636	2'510	2'466
Intangible assets	30'815	2'585	3'314
Financial assets	423	304	307
Deferred tax assets	4'683	5'374	4'529
<i>Total non-current assets</i>	<u>39'557</u>	<u>10'773</u>	<u>10'616</u>
Total assets	<u>123'939</u>	<u>115'191</u>	<u>120'868</u>
LIABILITIES AND EQUITY			
Current liabilities	12'693	12'546	12'626
Non-current liabilities	2'945	1'614	2'325
Total liabilities	<u>15'638</u>	<u>14'160</u>	<u>14'951</u>
Shareholders' equity			
Share capital	5'619	5'619	5'619
Share premium	102'481	101'899	102'132
Cumulative translation differences	583	97	176
Accumulated losses	-382	-6'584	-2'010
Total equity	<u>108'301</u>	<u>101'031</u>	<u>105'917</u>
Total liabilities and equity	<u>123'939</u>	<u>115'191</u>	<u>120'868</u>

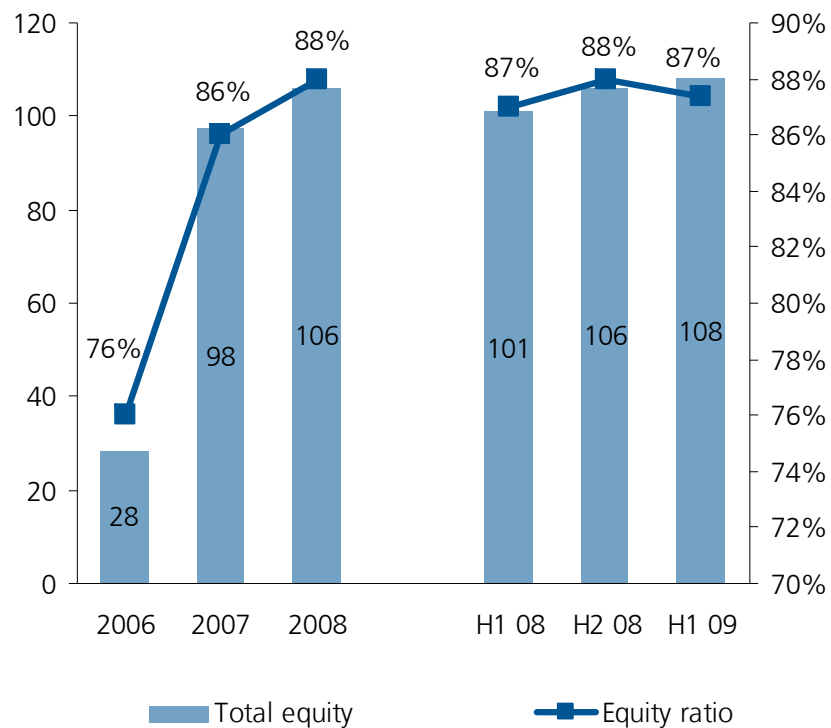
Comments

- Very strong financial position with a liquidity (incl. short term investment) of CHF 61m
- No significant debt
- Inventory level reduced to desired level, CHF 10m
- Intangible assets increased due to acquisitions, includes goodwill of CHF 17.9m

Statement of financial position

Total equity and equity ratio

(CHF in million)



Comments

- Equity ratio at 87.4%
- Strong capital base supports expansion of business

Statement of cash flows

Consolidated interim cash flow Statement (condensed)

(in CHF 000s)	Jan. - June		Jan. - Dec.
	2009	2008	2008
	(unaudited)	(unaudited)	(audited)
Net cash provided by operating activities	3'998	3'782	2'570
Net cash provided by / (used in investing) activities 1)	12'144	-5'616	-50'239
Net cash used in financing activities	-5	-257	-364
Net increase / (decrease) in cash and cash equivalents	16'137	-2'091	-48'033
Cash and cash equivalents at beginning of period	37'147	85'922	85'922
Effect of exchange rate fluctuations on cash and cash equivalents	244	-1'012	-742
Cash and cash equivalents at end of period	53'528	82'819	37'147

Comments

- Positive operational cash flow
- Investing activities:
 - CHF 40m was provided by release of short term investments
 - CHF 24.6m used for cash payment of both acquisitions
 - CHF 3.7m investments into non-current assets

Note 1) In the first half-year 2009 short-term investments of CHF 40m were disposed of. The resulting cash flow was partly used for the payments of the acquisitions made during the reporting period.

Segment reporting

(in CHF 000s)	GPS / Wireless products		Wireless services 1)		Total Segments		Non allocated/ Eliminations		Group	
	Jan. - June		Jan. - June		Jan. - June		Jan. - June		Jan. - June	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Sales 2)	33'292	40'322	1'151	0	34'443	40'322	-312	0	34'131	40'322
EBITDA	5'657	6'659	-471	0	5'186	6'659	0	0	5'186	6'659
Depreciation	-975	-801	-120	0	-1'095	-801	0	0	-1'095	-801
Amortization	-1'743	-1'342	-91	0	-1'834	-1'342	0	0	-1'834	-1'342
EBIT	2'939	4'516	-682	0	2'257	4'516	0	0	2'257	4'516
Financial result, net	0	0	0	0	0	0	-445	-71	-445	-71
EBT	2'939	4'516	-682	0	2'257	4'516	-445	-71	1'812	4'445
Assets	51'728	21'693	6'318	0	58'046	21'693	65'893	93'498	123'939	115'191

1) Wireless services are effective as of April 1, 2009

2) Wireless services: "Sales to external customers" CHF 839 thousand; "Intersegment sales" CHF 312 thousand

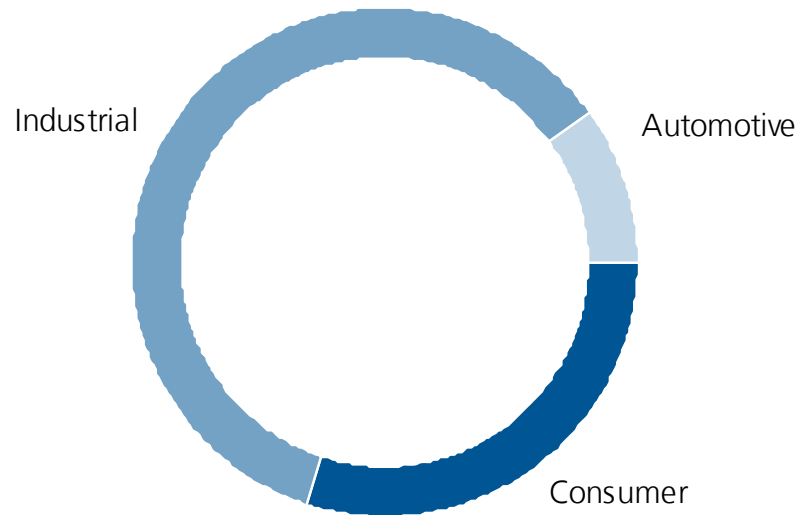
A woman with her hair in a ponytail, wearing a light blue long-sleeved jacket, is standing on a gravel path in a park. She is looking down at her smartwatch on her left wrist and adjusting it. The background shows green grass, trees, and a misty or hazy landscape.

Business update

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Markets trends

Sales split by markets for H1 / 2009



Comments

- Continued strong foot hold in the industrial segment, lead by vehicle tracking applications
- Consumer segment mainly growing in Asia with PND devices
- Automotive segment lead by Asia

Note: Estimate

Applications: PocketFinder by Location Based Technologies (US)



- Software based GPS positioning solution running on wireless communication processor
- Very low power – very long battery life time
- Low cost

Applications: personal tracker by SPOT (US)



- AMY based solution

Applications: fleet management system by Advantech (TW)



- LEA based solution

Applications: photo geotagging accessory by Bilora (DE)



- YUMA based solution (Capture & Process)
- Reverse geocoding service

Applications: Personal Navigation Device by Thinkware (KR)



- u-blox 5 chipset based solution

Applications: Mobile phone by Gionee (CN)

- u-blox 5 chipset based solution

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深圳市金立通信设备有限公司 官方网站: www.gionee.com 手机论坛: <http://bbs.gionee.com> 网上商城: <http://shop.gionee.com>

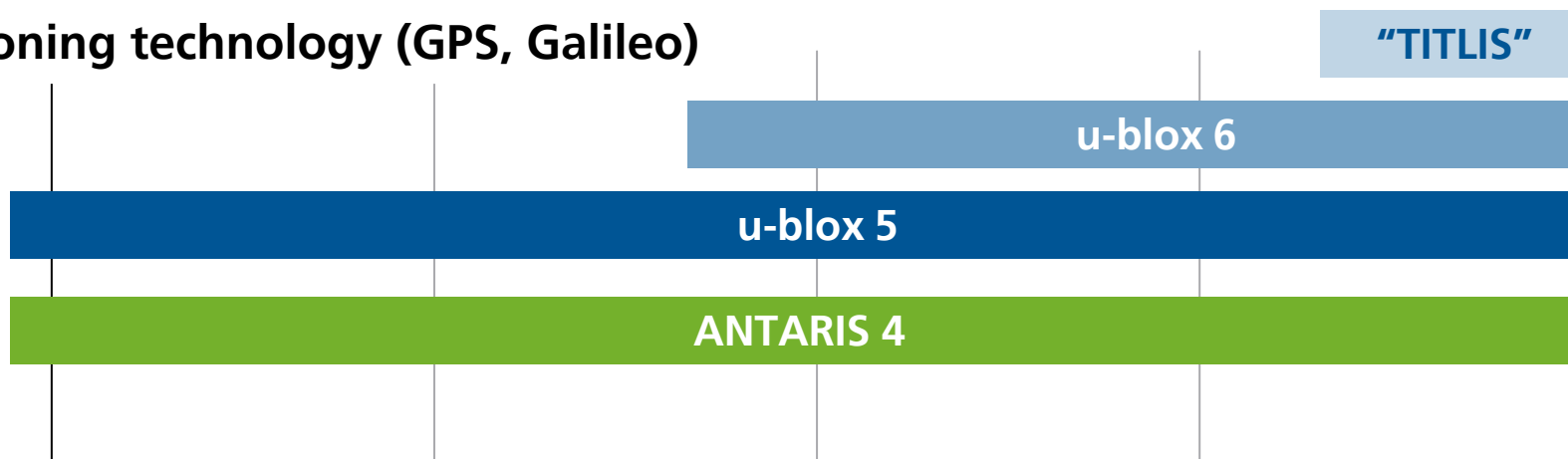
Applications: time synchronization unit by ZTE (CN)



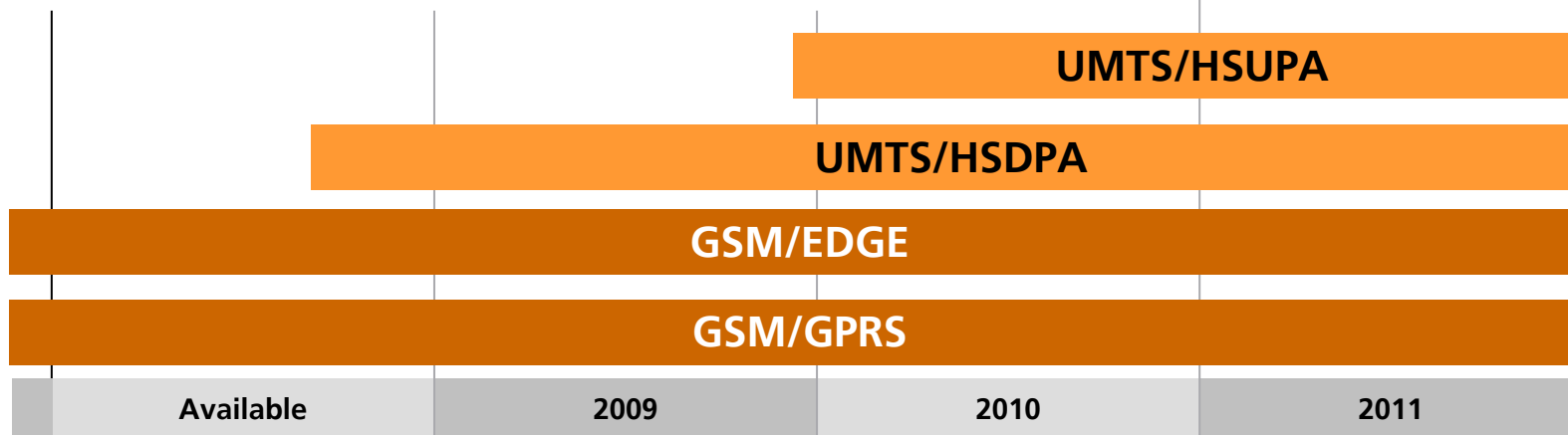
- Based on timing module

Technology roadmap

Positioning technology (GPS, Galileo)



Wireless communication technology (GSM, UMTS)



Brand-new u-blox 6 GPS receiver technology



It never took so little...

- ... time to determine your location
 - New GPS engine with improved position acquisition
- ... to extend your battery life
 - Intelligent power management with Power Save Mode
- ... time to capture a position
 - Instant GPS data capture with revolutionary **Capture & Process** technology
- ... effort to keep pace with latest GPS technology
 - Drop-in compatible with u-blox 5

Wireless solutions: LEON, a market leading 2G module

- Very compact
- Industrial specifications at -30 °C ... +85 °C
- Low power
- Wide feature set
- Incorporate GPS aiding functions
- World-wide certifications
- Excellent market response



Our unique dual market approach sustained in both technologies - positioning and wireless communication



Significant growth benefits to u-blox

- ✓ Dual offering allows access to **broadest** market possible, from small to very large accounts
- ✓ **Quick** realization of new business opportunities
- ✓ **Uniqueness** of product offer
- ✓ Ultimate **control** over quality and after-sales support
- ✓ Higher **competence** than competition
- ✓ Increased **barriers** to entry for competition

A man and a woman are standing outdoors in a city. The man, wearing a light blue button-down shirt, has his arm around the woman's shoulder and is pointing towards a building in the distance. The woman, wearing an orange cardigan, is holding a smartphone. In the background, there are several tall buildings, including one with a prominent spire. The sky is blue with some clouds.

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Outlook H2 / 2009

Outlook 2009

Goals

- Go to market with important product innovations
- Continued development of new technologies for positioning and wireless solutions
- Capture additional business from existing customer relationships
- Expand business into other machine-to-machine application areas and further strengthen the global presence
- Operational excellence for lowest cost

Financial performance outlook 2009

- Market size for 2009 is still unpredictable – signs of recovery are visible but business remains short term minded
- Sales 2009: CHF 70...74m, net profit CHF -4.0...-2.0m (higher expenses due to acquisitions), with gross profit margin of 49...51%
- Strong balance sheet to remain

Mid-term outlook

- Mid-term sales growth from
 - Chipset sales Positioning
 - Modules sales Wireless

	Actual 2007	Actual 2008	Target 2011
Sales	78.4	74.5	150
EBIT	5.5	8.4	25
EBIT %	7.0%	11.3%	17%

Calendar

- Announcement of annual results 2009: March 19, 2010
- Annual General Assembly 2009: April 29, 2010



Thank you!

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