Founded in 1978, Trimble Navigation Limited is a recognized worldwide leader in the development of innovative Global Positioning System (GPS) technology-based products for a wide range of applications. Today, these advanced solutions combine GPS with wireless communications and sophisticated software to meet demanding applications in environments ranging from agriculture and construction to asset management and component technology. Located in Sunnyvale, California, Trimble provides end-users and OEMs with leading-edge solutions backed by a global leadership in patents, exceptional experience and a reputation for excellence.
Financial highlights

Fiscal Years ended from continuing operations
(in thousands, except per share amounts)

Operating Data:

<table>
<thead>
<tr>
<th></th>
<th>99</th>
<th>98</th>
<th>97</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>$271,364</td>
<td>$268,323</td>
<td>$266,442</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>$29,534</td>
<td>$(11,404)</td>
<td>$30,911</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>$18,662</td>
<td>$(27,355)</td>
<td>$17,380</td>
</tr>
<tr>
<td>Basic net income (loss) per share</td>
<td>$0.83</td>
<td>$(1.22)</td>
<td>$0.78</td>
</tr>
<tr>
<td>Diluted net income (loss) per share</td>
<td>$0.82</td>
<td>$(1.22)</td>
<td>$0.75</td>
</tr>
</tbody>
</table>

Balance Sheet Data:

<table>
<thead>
<tr>
<th></th>
<th>99</th>
<th>98</th>
<th>97</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents and short-term investments</td>
<td>$101,992</td>
<td>$57,134</td>
<td>$73,122</td>
</tr>
<tr>
<td>Working capital</td>
<td>$111,808</td>
<td>$81,956</td>
<td>$133,434</td>
</tr>
<tr>
<td>Total assets</td>
<td>$181,751</td>
<td>$156,279</td>
<td>$207,663</td>
</tr>
<tr>
<td>Notes payable, less current portion</td>
<td>$33,821</td>
<td>$31,640</td>
<td>$30,697</td>
</tr>
<tr>
<td>Shareholders’ equity (deficit)</td>
<td>$100,796</td>
<td>$74,691</td>
<td>$139,483</td>
</tr>
</tbody>
</table>

This document may contain forward-looking statements based on current expectations that involve a number of risks and uncertainties. Other potential risks and uncertainties that could cause actual results to differ materially are included in the SEC filings, including Form 10-K and Form 10-Q, for Trimble.

\(^1\)EBITDA consists of earnings before interest income, interest expense, other non-operating income and expense, income taxes, depreciation and amortization. EBITDA is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as an alternative to net income as an indicator of a company’s performance or to cash flows from operating activities as a measure of liquidity.
The past year was a significant period of transformation for Trimble during which we began the process of redefining the Company. This transformation included a number of important changes that will enable us to improve our competitive position and increase the value we bring to the markets we serve. I am pleased with these initial steps toward our new goals and am confident in our ability to succeed.

For the fiscal year ended December 31, 1999, revenues from continuing operations were $271,364,000, up from $268,323,000 in the comparable period of 1998. The net income from continuing operations was $18,662,000 or $0.82 per share diluted, versus a net loss of ($27,355,000) or ($1.22) per share diluted, for the prior year.

Over the course of the year, we began addressing the challenges we face in meeting our long-term goals. First, we needed to improve the quality and predictability of financial results. Second, we had to strategically focus the Company on those areas in which it can be most successful. The usefulness of Global Positioning System (GPS) technology as a utility and the variety of potential applications have led Trimble into a large number of new markets. We realize the importance of narrowing our focus and selecting opportunities that are optimized for market leadership, profitability and growth. During 1999, Trimble took steps to identify these primary growth markets and to more accurately define our expectations in those areas.

Before we could take full advantage of our capabilities in our external markets, we needed to first strengthen our internal capabilities. We took some important steps toward addressing this challenge in 1999 with some significant management changes, including the addition of Patrick Hehir as senior vice president of manufacturing and Michael Lesyna as vice president of strategic marketing. In addition, we made a number of management changes elsewhere in the organization. Other initiatives included the creation of a management development program and the increased accountability for financial performance throughout the organization by focusing on both individual and team results. This focus on results is being operationalized through more aggressive and more transparent financial targets, modified incentive programs and faster reaction to deviations from planned results.
I am encouraged by the significant improvement in cost control our Company demonstrated in 1999. Gross margins benefited from improvement in manufacturing costs, both as a result of continuing cost reductions as well as the move to contract manufacturing in the second half of the year. Organizational costs in all phases of the business were also subjected to tighter control. Trimble’s operational capabilities were significantly extended in 1999 as we signed and implemented a multi-year agreement with Solectron Corporation that provides for the manufacture of substantially all Trimble products. This arrangement provides our Company with a significant number of advantages, allowing the Company to leverage Solectron’s purchasing scale into substantially lower material costs and to utilize Solectron’s global capabilities to achieve the lowest available production costs anywhere in the world. This relationship also reduces the need for capital and inventory investment, which frees us to focus on the core competencies required to excel in our markets.

Better serving our external markets demands that the Company continue to drive technological innovation as the mechanism for transforming our markets. Trimble’s future success will be built upon two primary foundations. The first is that Trimble has a major role to play in making position a universal utility. Access to position will become commonplace, in much the same manner that access to the correct time is assumed. This process will be increasingly enabled as the cost, robustness and power requirements of GPS technology are improved, thereby allowing it to be integrated into new platforms—whether they are construction machines, automobiles or PDAs. Trimble’s significant technology base allows it to play an enabling role in many of these emerging applications that require position. The second foundation of our strategy is the expectation that Trimble can play a transforming role in certain targeted applications by creating unique value through the integration of knowledge of position with communications and information technology. This integration of technologies will put Trimble in a unique position for continued success in exciting emerging growth markets.

As we continue to expand on our message of transformation into the new year, I would like to thank our shareholders, customers, partners and dedicated employees for their continued support of Trimble in this past year. We look forward to a strong ongoing relationship.

Steven W. Berglund
President and Chief Executive Officer
The increasing demand for expanded capabilities in both consumer and business applications has raised the need for “position-centric” solutions that use position as an integral element in the solution set. Trimble has several significant advantages in many of these applications. First, it is recognized as the global leader in GPS based on its innovative technology and the quality of its products. This tradition of innovation is demonstrated by the fact that Trimble owns more fundamental and application-specific GPS patents than any other provider. Today, this leadership continues to grow.

Trimble also holds another significant advantage in that it is already well represented in many of these applications. The Company has unsurpassed experience with the needs of users and has incorporated that knowledge into existing products that are robust and highly functional. With this acquired knowledge and intimacy with the needs of the customer, Trimble is well positioned to take these markets to the next level.

The next step will be to continue to transform the way work is performed in commercial and industrial markets. Trimble will do this by creating brand new capabilities through integration of position, wireless communication, software and database solutions. This newly created capability will deliver significantly enhanced value through improved information and productivity. The convergence of technology will also enable a new information architecture to emerge in many markets. This architecture will allow position-centric information to be more easily collected in a seamless and timely fashion and will allow that information to be accessed at the time it is needed without delay.

A key element in the Trimble strategy for bringing new technologies to the user is the continued development of a strong and highly competent distribution channel. Trimble intends to aggressively add additional distribution capability to exploit the new opportunities and to continually improve the capabilities of its existing distribution network.

Seiko Epson’s Location communication device and i-Point wireless data service leverage Trimble’s GPS and Seiko’s PHS (Personal Handyphone System) technologies to provide the world’s first combination PDA, wireless phone, personal navigator and digital camera.
Since its inception, Trimble has been recognized as an innovator in many of the requisite technologies and has demonstrated significant success in integrating multiple technologies into solutions that provide unique value to the user. Trimble will continue this tradition of providing value into an era of accelerating change. Meeting this challenge will require a renewed sense of urgency, customer focus and innovation.
Component Technology

The Trimble Palisade™ NTP Synchronization Kit provides a high-performance, cost-effective time source that uses GPS technology to synchronize computers, servers and Internet applications.

Asset Management

The Trimble GeoExplorer® 3 data collection and maintenance system provides the industry’s most rugged and technologically advanced handheld GPS solution available for creating and maintaining GIS databases for management of utility, urban, and natural resources.

Agriculture

Trimble’s AgGPS® 132 is the world’s first 12-channel, high-performance, sub-meter GPS device to combine a GPS receiver, a Coast Guard beacon and a satellite differential correction receiver in a single, compact package. This allows users to achieve sub-meter GPS accuracy without establishing their own reference station, greatly improving productivity.

A/E/C

The Trimble SiteVision Grade Control System for the construction market combines a ruggedized on-board computer, a high-precision dual-frequency receiver, two dual-frequency GPS antennas, three lightbars and a radio to provide a complete solution to help bulldozer operators increase productivity in a stakeless environment.

Component Technology

The Trimble Palisade™ NTP Synchronization Kit provides a high-performance, cost-effective time source that uses GPS technology to synchronize computers, servers and Internet applications.
The expanding number of potential applications for Trimble’s technologies has provided a wide range of opportunities for the Company. In order to achieve significant success, Trimble must focus its efforts on the emerging markets that offer the Company the most opportunity for growth and best leverage its capabilities. After evaluating its existing markets, Trimble has initially recognized four key growth areas as the most promising for its unique offerings: Architecture/Engineering/Construction (A/E/C), Agriculture, Asset Management and Component Technology.

**Architecture/Engineering/Construction (A/E/C)**

Trimble’s expertise in GPS has created some significant, entirely new applications in architecture, engineering and construction. Today, the Company’s expanded capabilities will continue to raise the productivity of the industry by expanding the number and power of the solutions. Trimble remains focused on redefining the A/E/C market.

With advanced products such as our SiteVision™ Grade Control System and the GPS Total Station® with Trimble Geomatics Office™ software, Trimble is now able to supply complete solutions that provide more than just positioning data. These solutions also enable critical information to be captured, networked and acted upon more quickly and easily by our customers.

Trimble’s dedication to bringing new levels of productivity and efficiency to the construction industry is further evidenced by our ongoing strategic alliance with Caterpillar Inc., the world’s largest manufacturer of construction and mining equipment. Caterpillar and Trimble jointly develop products for earth-moving equipment used in the mining and landfills industries. Trimble also launched a strategic alliance with Autodesk Inc. in March, 1999 with the goal of moving the civil engineering, land survey and design software markets closer to a real-time engineering model through integrated solutions for land development. This collaboration resulted in Trimble Link™ software, a plug-in module for Autodesk® Survey software, which will enable surveyors and civil engineers to perform site surveys, create construction designs and stake out buildings, bridges and roads more efficiently than ever before.

**Agriculture**

In today’s competitive agriculture market, efficient field operation and data for better decision making are keys to success. From precision positioning to guidance and field computing, Trimble delivers advanced solutions that allow our customers to build an expandable field management system that can grow with their success.

Trimble’s technology provides key advantages in a variety of agriculture applications, primarily in the areas of yield monitoring, variable-rate applications of fertilizers and insecticides and machine guidance. The combination of GPS and data management, for example, provides for more efficient and cost-effective application of fertilizers and chemicals. Plus, Trimble enables more effective guidance capabilities for critical agriculture equipment. The result for our customers is significantly improved productivity and enhanced yields.
A/E/C  Trimble’s GPS Total Station and TTS™ systems provide surveyors and civil engineers with innovative features that bring a new level of confidence, speed and efficiency to the construction cycle. And with the intuitive, easy-to-use Trimble Survey Controller™ field software and Trimble Geomatics Office software, survey and design tasks are unified in one powerful system.

Agriculture  Trimble’s AgGPS 170 Field Computer is a rugged, top-of-the-line in-field solution for custom applicators, farmers and agribusiness consultants who want to add enhanced guidance, data logging and field mapping capabilities to their existing agriculture equipment.

Asset Management  Trimble’s CrossCheck™ AMPS cellular mobile unit—the first device to combine GPS, cellular and computing technologies onto a single circuit board—provides a more efficient, cost-effective asset and route management tool for fleet managers.

Component Technologies  With the Lassen™-SK8 miniature 8-channel GPS receiver, Trimble provides the ideal solution for in-car navigation and telematics systems.
Trimble's strategic alliance with CNH Global (formerly Case Corporation), a worldwide designer, manufacturer and distributor of agriculture equipment, continues to solidify our leadership in this area. Since 1997, CNH Global has utilized Trimble GPS receivers for advanced farming systems, making sub-meter information available for the first time to measure and manage crop performance.

**Asset Management**
Trimble's integrated wireless, GPS and information technology for both stationary and mobile assets delivers critical advantages in applications ranging from Geographic Information Systems (GIS) data collection and maintenance to asset tracking and fleet management to intelligent transportation and cargo tracking. The key to these applications is not just location, but the rapid collection and transfer of the data from the field to the office for verification, business decisions and analysis.

Over the past year, we have stepped up our efforts in this area, adding new technologies and partnerships to improve our efficiency in everything from data capture, analysis and communications to Automatic Vehicle Location (AVL) and event reporting. As accurate data becomes even more vital for important business decisions, the ability to quickly and easily take existing GIS data to the field for verification and data update becomes even more critical. With their powerful capabilities, Trimble solutions deliver significant enhancements in productivity, operating cost, safety and security for a wide range of asset management applications, including managing utility, urban and natural resource databases, public safety, regional long-haul trucking, distribution and shipping.

**Component Technologies (Modules, ICs, Licensing)**
Trimble is dedicated to significantly expanding our relationships with OEMs in the area of synchronizing wireless and computer networks. The Company provides timing products to major telecommunications infrastructure suppliers such as Nortel Networks and Glenayre. Additionally, in the automobile and embedded markets, Trimble currently supplies GPS boards, chipsets and licenses to some of the world’s leading OEMs, including Seiko Epson, VDO Car Communications, Bosch Blaupunkt and many others. The Company is also part of the reference design for Intel's initiative to develop in-car Pentium® processor-based computing. Each of these applications is expected to grow significantly in the near future.

**Trimble has market positions in two additional significant businesses, Avionics and Military.**
Trimble Avionics has been a leader in establishing new accuracy requirements and standards for the GPS airborne environment, allowing for precisely measured aircraft position and therefore safer traffic flow in the skies around the globe. Trimble was the first GPS company to receive FAA certification for aviation equipment in compliance with these new standards. In 1995, the Company began an alliance with Honeywell Incorporated to produce GPS-based equipment for the commercial air transport market.

Trimble’s Military and Advanced Systems Group designs and supports GPS receivers and systems for military applications. The GPS military equipment provides accurate position, velocity, altitude and timing information to aircraft, naval vessels, ground vehicles and battlefield management systems that coordinate and control deployment of ground-based and airborne equipment and personnel.

By focusing on key technologies, partnerships and growth markets, Trimble is dedicated to the transformation of both our internal and external capabilities. We believe this will position the Company to better realize our vision of leadership in the global technology market.
Executive Officers

Steven W. Berglund
President and
Chief Executive Officer

Mary Ellen Genovese
Chief Financial Officer

David M. Hall
Group Vice President,
Mobile and Timing Technologies

Ron C. Hyatt
Group Vice President,
Precision Positioning

Charles E. Armiger
Vice President,
Worldwide Sales

Patrick J. Hehir
Senior Vice President and
Chief Manufacturing Officer

Michael W. Lesyna
Vice President,
Strategic Marketing

Bruce E. Peetz
Vice President,
Advanced Technology & Systems

John E. Huey
Treasurer

Board of Directors

Robert S. Cooper, Ph.D., Chairman
Atlantic Aerospace

Steven W. Berglund, President and CEO
Trimble Navigation Limited

John B. Goodrich, Secretary
Wilson, Sonsini,
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Additional Information
Further copies of the Company’s annual report on 10-K, as filed with the Securities and Exchange Commission, will be furnished upon written request to Investor Relations at Trimble corporate headquarters.

Trimble Investor Information
Traded: The Nasdaq Stock Market®
Symbol: TRMB
Close price for year-end: $21.625
Year Range: $7.563–$23.125

Trimble’s web site:
http://www.trimble.com

Annual Meeting
May 11, 2000

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