Entering 2009 we understood we were facing the most significant management challenge seen in many years. That expectation was realized in the first half of the year—which was characterized by considerable uncertainty in many of our markets, combined with a collapse of confidence among our customers. Second-half conditions reflected less uncertainty and early signs of recovery but remained tentative. This lack of market clarity created painful choices as we strove to balance prudent short-term cost cutting and longer-term investments in the initiatives that provide the platform for future growth. Despite aggressive cost cuts we avoided the elimination of any key development programs or start-up businesses.

Revenue for 2009 was down approximately 15 percent compared to 2008. Non-GAAP operating income was down approximately 32 percent compared to 2008 and diluted non-GAAP EPS was $1.04 compared to $1.54 in 2008. Although all businesses suffered from the economy, Engineering and Construction segment results were most adversely affected. Field Solutions segment results reflected the effects of slower government spending, overall economic conditions, and the comparison to exceptionally strong 2008 results. Mobile Solutions segment financial results were not impressive, although underlying momentum continues to build as we were awarded a number of large contracts (with significant recurring revenues). The Advanced Devices segment produced lower revenue and profitability due to the economy.

We currently expect meaningful performance improvement in most of our markets during 2010. In contrast to a year ago, when our efforts were focused on mitigating the damage created by a relative economic meltdown, we have returned to an environment in which we can hold ourselves accountable for managing to targeted outcomes. This return to growth assumes a modest economic recovery and a return of business confidence sufficient to encourage investment.

Last year we identified a number of short-term priorities that guided us through the crisis. Although our environment has improved, the priorities remain valid as we selectively transition back to pursuing an agenda of growth.

**Retain and reinforce our organizational capabilities**

Navigating the difficult environment of the last two years has placed substantial stress on the organization and on our employees, who remain a unique resource. The organization reacted to adversity with competency, maturity and commitment and, as a result, we are poised to engage our opportunities.

The continued development of our organization is the central consideration in our future success. If we are to achieve the
potential we see in our strategy, we need to pursue a standard that includes the conventional concepts of organizational excellence but with additional, unique elements that enable us to make a compelling contribution to the markets in which we participate.

Our core organizational concept remains centered on focused divisions with an emphasis on responsiveness, accountability and transparency. This has resulted in a relatively large number of businesses, with each assigned a clear market task and the resources necessary to achieve it. These relatively autonomous units have been the engines that have created much of our market and financial success over the last ten years. We continue to augment this core structure to better leverage the expanding Trimble technology capabilities, to address the requirements of international markets, to pursue larger-scale industry opportunities, and to more effectively participate in alliances with other companies. Our primary goal in managing this complexity is to perfect a values-driven culture with a particular emphasis on effective collaboration.

**Maintain and reinforce our business model**
The current Trimble portfolio is capable of generating a non-GAAP operating margin of greater than 20 percent—a level we achieved prior to the late 2008 economic crisis. This margin performance, combined with our relatively low level of capital intensity, provides the basis for generating long-term returns greater than our cost of capital. Our emphasis during 2008 was on protecting this model by scaling our costs to altered revenue levels—while maintaining a balance between the short and long terms. Our non-GAAP operating margin in 2009 was 15.3 percent, which is below historical levels but still provides us with a solid foundation for improvement. It also reflects the robustness of our financial model in adverse circumstances and the adaptability of the Trimble organization.

The foundation for delivering superior financial organizational performance remains our emphasis on providing increasing levels of value to our users. This becomes an organizational mandate that forces the Trimble organization to think in terms of providing solutions, not just products. To make this concept more than a cliché requires a real commitment to the customer—which can be a test in difficult times. An example of our commitment is the Trimble Dimensions user conferences we held in 2009—one in Las Vegas and one in China. These provided a comprehensive educational forum for our users and allowed Trimble to emphasize its role as a solutions provider. Although these events represented significant costs to us in a difficult year, we were gratified by the results. Each event had more than
2,000 participants and allowed us to demonstrate our commitment to the market.

**Use this period as an opportunity to improve**

The benefit of hard times is the requirement to reconsider fundamentals. Practices that were acceptable in easier times can be re-evaluated and improved. While our culture is typically self-demanding and values continual improvement, the difficult circumstances during 2009 intensified expectations. In spite of cost reductions, in 2009 we improved in a number of key areas including customer satisfaction, product quality, and manufacturing cost.

A key element in this improvement process is our Trimble Delivers program which was established a number of years ago to drive fundamental change within Trimble. Trimble Delivers has successfully addressed a broad array of issues across the organization utilizing tools such as Six Sigma and Lean Manufacturing techniques. More importantly, over the long term, it is institutionalizing a culture of improvement.

**Improve our strategic position**

We entered 2009 with a strong balance sheet, strong operating cash flows, a strong organization, an abundance of ideas, and the determination to succeed. We were resolved to not passively wait out the recession but to use it as an opportunity to strengthen our long-term advantage. This opportunity requires us to effectively exploit the few broad themes that define our strategy.

The first theme is that of market penetration. We define this as the percentage of users actually using our technology against the total number of users that could potentially benefit from the use of the technology. Virtually all Trimble businesses have penetration levels of substantially less than 50 percent. During 2009 we continued to reinforce and develop our capabilities to penetrate the market. A key point of focus has been our third-party distribution channel, which has been faced with unprecedented challenges due to the economy. Because our product solutions require concept selling and are built up over time, any erosion of capabilities in the distribution channel during a recession may make it difficult to respond effectively upon recovery. We are gratified by the response of our independent dealers to the challenges of the last two years. They responded quickly and decisively to the deterioration in the market, and Trimble intervention was required in only a handful of cases. Additionally, although the economy delayed the expansion of the SITECH channel in 2009, we continue to establish new SITECH dealers globally and we expect the channel to become a major source of market leverage for us.

A second strategic theme is that of internationalization. To achieve our potential we need to move beyond our traditional geographic comfort zone of North America and Western Europe. During 2009 we continued to expand and develop our international capabilities, with much of the effort concentrated in emerging markets such as China, India, Russia, Brazil, and Africa. Examples of this increased activity level include two new joint ventures in China, the establishment of a sales office in Nairobi, and the initiation of assembly operations in Brazil.

A third theme is the commitment to technological innovation. Despite a reduction of R&D spending in 2009, our spending level was over 12 percent of revenue, consistent with our long-term trend. We continued to aggressively introduce new products in 2009 and we expect to continue this trend in 2010. Despite the need to constrain our spending in 2009, we continued to develop our product capabilities in our emerging market areas including software products for utilities, forestry, building information modeling (BIM), and power, process and plant. We also introduced a comprehensive new product class for our Spectra Precision- and Nikon-branded survey instruments.

A fourth strategic theme is the targeted and selective use of acquisitions. Our efforts in 2009 were focused on extending our technology platform in agriculture, BIM, and fleet management. Our criteria for acquisition remains unchanged—to create or expand market beachheads or to fill in technology or product gaps. While acquisitions are not central to our core strategy, we expect we will continue to use them selectively to explore adjacencies and extend our overall strategic leadership.

Although the conditions of the last 18 months have created greater strategic ambiguity, we believe Trimble’s fundamentals remain grounded, with the potential to produce significant long-term shareholder returns. Our path to creating long-term value remains centered on achieving compelling market leadership, generating financial performance well within the top quartile of the universe of comparable companies, and creating an organization uniquely capable of engaging the opportunities.

Going forward, we hope to look back on the business environment in 2009 as an unpleasant, but educational, memory. We believe we came out of the year stronger than we entered.

My thanks to everyone who contributed.

Steve Berglund
President and CEO
<table>
<thead>
<tr>
<th>MARKETS SERVED</th>
<th>PRODUCT EXAMPLES</th>
<th>REPRESENTATIVE CUSTOMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engineering and Construction</strong></td>
<td><strong>Survey</strong>&lt;br&gt;Integrated surveying solutions:&lt;br&gt;- GNSS systems&lt;br&gt;- Total stations&lt;br&gt;- Inertial/GNSS positioning and orientation systems&lt;br&gt;- Digital levels and theodolites&lt;br&gt;- Spatial imaging:&lt;br&gt;  - 3D laser scanners&lt;br&gt;  - Spatial stations&lt;br&gt;- Processing, analyzing and information management software&lt;br&gt;Engineering products:&lt;br&gt;- Data collectors/field computers&lt;br&gt;- Field and office application software</td>
<td>Surveyors&lt;br&gt;Civil engineers&lt;br&gt;Construction contractors&lt;br&gt;Transportation companies&lt;br&gt;Cities and government agencies&lt;br&gt;Cadastral agencies and companies&lt;br&gt;Utilities&lt;br&gt;Oil and gas engineers&lt;br&gt;Mapping contractors&lt;br&gt;Architects&lt;br&gt;Specialized applications such as:&lt;br&gt;  - Railway monitoring&lt;br&gt;  - Tunneling&lt;br&gt;  - Mining</td>
</tr>
<tr>
<td>51% of total revenue</td>
<td><strong>Construction</strong>&lt;br&gt;Machine control systems&lt;br&gt;Building Information Model (BIM) software&lt;br&gt;Field and office application software&lt;br&gt;Life cycle project management solutions&lt;br&gt;Construction operations and asset management solutions</td>
<td>Earthmoving contractors&lt;br&gt;General construction contractors&lt;br&gt;Mechanical, electrical, plumbing contractors&lt;br&gt;Wall and ceiling contractors&lt;br&gt;Transportation agencies&lt;br&gt;Civil engineers and design firms&lt;br&gt;Construction rental companies&lt;br&gt;Utilities</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td>GNSS reference networks and software</td>
<td>Natural resource agencies&lt;br&gt;Government agencies&lt;br&gt;Transportation agencies</td>
</tr>
<tr>
<td><strong>GeoSpatial</strong></td>
<td>Road asset management systems&lt;br&gt;Pavement inspection systems&lt;br&gt;Aerial LiDAR/imaging systems&lt;br&gt;Photogrammetry and LiDAR software</td>
<td>Aerial mapping companies&lt;br&gt;Government agencies</td>
</tr>
<tr>
<td><strong>Power, Process and Plant</strong></td>
<td>3D laser scanning and imaging systems&lt;br&gt;Positioning solutions for asset management</td>
<td>Oil refinery engineering and operations&lt;br&gt;Power and petrochemical plant engineering and operations</td>
</tr>
<tr>
<td><strong>Field Solutions</strong></td>
<td><strong>Agriculture</strong>&lt;br&gt;Manual and automated steering systems for farm vehicles&lt;br&gt;Flow and overlap control for chemical, fertilizer, seed application&lt;br&gt;Grade control systems for irrigation and drainage&lt;br&gt;Reporting and planning software</td>
<td>Farmers&lt;br&gt;Agricultural contractors</td>
</tr>
<tr>
<td>26% of total revenue</td>
<td><strong>Mapping and GIS</strong>&lt;br&gt;Handheld GNSS data collectors&lt;br&gt;Field and office application software</td>
<td>Government agencies&lt;br&gt;Environmental/natural resource agencies&lt;br&gt;Utilities&lt;br&gt;Transportation companies</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>Utility field inspection and asset management tools</td>
<td>Water, electric and gas utilities</td>
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<tr>
<td><strong>Mobile Solutions</strong></td>
<td><strong>Fleet and Mobile Worker Management</strong>&lt;br&gt;Mobile resource management solutions&lt;br&gt;Scheduling and dispatch&lt;br&gt;Vehicle diagnostics&lt;br&gt;Field service software</td>
<td>Construction supply contractors&lt;br&gt;Transportation and distribution companies&lt;br&gt;Private fleets&lt;br&gt;Telco fleets&lt;br&gt;Direct store delivery&lt;br&gt;Field service&lt;br&gt;Oil and gas&lt;br&gt;Utilities&lt;br&gt;Government agencies</td>
</tr>
<tr>
<td>14% of total revenue</td>
<td><strong>Forestry</strong>&lt;br&gt;Forestry fleet management and optimization solutions</td>
<td>Forestry management companies&lt;br&gt;Land management companies</td>
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<tr>
<td><strong>Public Safety</strong></td>
<td>Electronic citations and field-based reporting</td>
<td>Police and sheriffs’ departments</td>
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<tr>
<td><strong>Advanced Devices</strong></td>
<td><strong>Embedded GNSS Products</strong>&lt;br&gt;Chipsets and boards&lt;br&gt;Embedded silicon and firmware</td>
<td>Electronics OEMs&lt;br&gt;Portable appliance manufacturers</td>
</tr>
<tr>
<td>9% of total revenue</td>
<td><strong>Timing</strong>&lt;br&gt;3G and 4G base station clocks for telecommunications&lt;br&gt;Time and frequency boards and instruments</td>
<td>Wireless infrastructure providers&lt;br&gt;Wireless location solution providers</td>
</tr>
<tr>
<td><strong>Applanix</strong></td>
<td>Integrated inertial/GNSS positioning and orientation systems&lt;br&gt;Indoor mobile mapping solutions</td>
<td>Surveying and mapping contractors&lt;br&gt;Building owners and facility managers</td>
</tr>
<tr>
<td><strong>Defense</strong></td>
<td>GPS receivers for aircraft&lt;br&gt;Military time and frequency boards</td>
<td>U.S. Department of Defense&lt;br&gt;Allied defense ministries&lt;br&gt;Defense contractors</td>
</tr>
<tr>
<td><strong>Trimble Outdoors</strong>™ <strong>Service</strong></td>
<td>Mapping software on GPS-enabled mobile phones&lt;br&gt;Web-based mapping application</td>
<td>Outdoor enthusiasts</td>
</tr>
</tbody>
</table>
COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN*

Among Trimble Navigation Limited, the NASDAQ composite index and the S&P information technology sector index

* The following graph compares the cumulative 5-year total return provided shareholders on Trimble Navigation Limited's common stock relative to the cumulative total returns of the NASDAQ Composite index and the S&P Information Technology index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indexes on 12/31/2005 and its relative performance is tracked through 12/31/2009. The Company has never paid dividends on its Common Stock and has no present plans to do so.

The Company adopted a 52-53 week fiscal year effective upon the end of fiscal year 1997, and the actual date of the Company's 2009 fiscal year end was January 1, 2010. Any variations due to any differences between the actual date of a particular fiscal year end and the calendar year end for such year are not expected to be material.

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The stock price performance included in this graph is not necessarily indicative of future stock price performance.
### MANAGEMENT INFORMATION

#### EXECUTIVE MANAGEMENT

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
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</thead>
<tbody>
<tr>
<td>Steven W. Berglund</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>Rajat Bahri</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Richard A. Beyer</td>
<td>Vice President</td>
</tr>
<tr>
<td>Bryn Fosburgh</td>
<td>Vice President</td>
</tr>
<tr>
<td>Christopher W. Gibson</td>
<td>Vice President</td>
</tr>
<tr>
<td>Mark A. Harrington</td>
<td>Vice President</td>
</tr>
<tr>
<td>Jim Veneziano</td>
<td>Vice President</td>
</tr>
<tr>
<td>Dennis L. Workman</td>
<td>Vice President</td>
</tr>
<tr>
<td>Ann Ciganer</td>
<td>Vice President, Strategic Policy</td>
</tr>
<tr>
<td>John E. Huey</td>
<td>Treasurer</td>
</tr>
<tr>
<td>James A. Kirkland</td>
<td>Vice President and General Counsel</td>
</tr>
<tr>
<td>Jürgen Kliem</td>
<td>Vice President, Strategy and Business Development</td>
</tr>
<tr>
<td>Bruce E. Peetz</td>
<td>Vice President, Advanced Technology and Systems</td>
</tr>
<tr>
<td>Julie Shepard</td>
<td>Vice President of Finance</td>
</tr>
<tr>
<td>Mary Kay Strangis</td>
<td>Vice President of Human Resources</td>
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</tbody>
</table>

#### BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ulf J. Johansson, Ph.D</td>
<td>Chairman, Business Consultant, Director, Telefon AB LM Ericsson</td>
</tr>
<tr>
<td>Nickolas W. Vande Steeg</td>
<td>Vice Chairman, Trustee, Azusa Pacific University, Venture Capital Investor, Business Consultant, Director, Wabtec Corporation</td>
</tr>
<tr>
<td>Steven W. Berglund</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>John B. Goodrich</td>
<td>Secretary, Business Consultant</td>
</tr>
<tr>
<td>William Hart</td>
<td>Venture Capital Investor, Business Consultant</td>
</tr>
<tr>
<td>Merit E. Janow</td>
<td>Professor, International Economic Law and International Affairs, Columbia University</td>
</tr>
<tr>
<td>Bradford W. Parkinson, Ph.D</td>
<td>Professor (Emeritus), Department of Aeronautics and Astronautics, Stanford University</td>
</tr>
<tr>
<td>Mark S. Peek</td>
<td>Chief Financial Officer, VMware, Inc.</td>
</tr>
</tbody>
</table>

#### SHAREHOLDER INFORMATION

**Corporate Headquarters**
Trimble Navigation Limited  
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www.trimble.com

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San Jose, California

**Transfer Agent & Registrar**
American Stock Transfer & Trust Company  
59 Maiden Lane  
Plaza Level  
New York, New York 10038  
(800) 937-5449

**Investor Relations Contact**
(408) 481-7838  
investor_relations@trimble.com

#### ADDITIONAL INFORMATION

The Company's annual report on Form 10-K, as filed with the Securities Exchange Commission, accompanies this annual report to shareholders and is also available on the Investor Relations section of the Company’s website at: www.trimble.com

**Trimble Investor Information**
Traded: The NASDAQ Stock Exchange  
Symbol: TRMB

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Australia
- Eppings, NSW
- Fortitude Valley, QLD
- Melbourne, VIC

Canada
- Kamloops, British Columbia
- Vancouver, British Columbia
- Richmond Hill, Ontario
- Toronto, Ontario
- Montréal, Québec

China
- Beijing
- Shanghai

France
- Fontenay-sous-Bois

Germany
- Biberach an der Riß
- Braunschweig
- Höhenkirchen-Siegertsbrunn
- Jena
- Kaiserslautern
- Kirchheim u.T.-Jesingen
- Raunheim
- Stuttgart
- Wunstorf

India
- Chennai
- New Delhi

Ireland
- Cork

Italy
- Vimercate (MI)

Japan
- Tokyo

Kenya
- Nairobi

Korea
- Seoul

Mexico
- Tecate, BC

The Netherlands
- Eersel

New Zealand
- Christchurch

Russia
- Moscow

Singapore

South Africa
- Gauteng

Spain
- Madrid

Sweden
- Danderyd

Thailand
- Bangkok

United Arab Emirates
- Dubai

United Kingdom
- Derby
- Glossop
- Hook
- Ipswich

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- Huntsville, AL
- Tempe, AZ
- Folsom, CA
- Fremont, CA
- Long Beach, CA
- Redding, CA
- Sunnyvale, CA
- Ukiah, CA
- Englewood, CO
- Westminster, CO
- Deerfield Beach, FL
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- Ames, IA
- Oelwein, IA
- Pondera, IA
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- Chantilly, VA

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