

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 2, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission File Number 0-18645

TRIMBLE NAVIGATION LIMITED
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

94-2802192
(I.R.S. Employer
identification No.)

645 North Mary Avenue, Sunnyvale, California
(Address of Principal Executive Offices)

94088
(Zip Code)

(408) 481-8000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of August 6, 1999, there were 22,518,600 shares of Common Stock (no par value) outstanding.

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TRIMBLE NAVIGATION LIMITED

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PART I. FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS

TRIMBLE NAVIGATION LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS

	July 2, 1999	January 1, 1999

(In thousands)	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$41,180	\$ 40,865
Short term investments	23,643	16,269
Accounts and other receivable, net	38,953	33,431
Inventories	32,788	37,166
Other current assets	3,143	4,173
	-----	-----
Total current assets	139,707	131,904
Net property and equipment	13,762	15,104
Intangible assets	1,231	1,320
Deferred income taxes	407	405
Other assets	7,469	7,546
	-----	-----
Total assets	\$162,576	\$156,279
=====		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 1,388	\$ 1,388
Accounts payable	13,255	13,000
Accrued compensation and benefits	7,201	4,696
Customer advances	-	808
Accrued liabilities	10,968	15,474
Accrued liabilities related to disposal of General Aviation	6,406	6,743
Accrued warranty expense	5,961	5,681
Income taxes payable	3,330	2,158
	-----	-----
Total current liabilities	48,509	49,948
	-----	-----
Noncurrent portion of long-term debt and other liabilities	30,013	31,640
	-----	-----
Total liabilities	78,522	81,588
	-----	-----
Shareholders' equity:		
Common stock	123,449	121,501
Common stock warrants	700	700
Accumulated deficit	(39,048)	(46,718)
Unrealized gain (loss) on short term investments	(33)	19
Foreign currency translation adjustment	(1,014)	(811)
	-----	-----
Total shareholders' equity	84,054	74,691
	-----	-----

Total liabilities and shareholders' equity \$162,576 \$156,279
=====

See accompanying notes to condensed consolidated financial statements.

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TRIMBLE NAVIGATION LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Six Months Ended	
	July 2, 1999	July 3, 1998 *	July 2, 1999	July 3, 1998 *
(In thousands, except per share data)				
Total revenue	\$ 70,839	\$ 73,536	\$ 139,609	\$147,697
Operating expenses:				
Cost of sales	33,228	37,277	66,431	73,112
Research and development	9,444	11,199	17,951	22,353
Sales and marketing	13,972	15,762	27,276	31,588
General and administrative	8,630	7,603	18,653	14,667
Total operating expenses	65,274	71,841	130,311	141,720
Operating income	5,565	1,695	9,298	5,977
Nonoperating income (expense):				
Interest income	694	971	1,385	2,014
Interest and other expenses	(835)	(819)	(1,652)	(1,677)
Foreign exchange gain (loss) , net	54	245	(7)	280
	(87)	397	(274)	617
Income before income taxes from continuing operations	5,478	2,092	9,024	6,594
Income tax provision	822	200	1,354	700
Net income from continuing operations	\$ 4,656	\$ 1,892	\$ 7,670	\$ 5,894
Discontinued operations:				
Loss from operations	-	(1,637)	-	(3,724)
Net income	\$ 4,656	\$ 255	\$ 7,670	\$ 2,170
Basic income per share from continuing operations	\$ 0.21	\$ 0.08	0.34	0.26
Basic income (loss) per share from discontinued operations	-	(0.07)	-	(0.16)
Basic net income per share	\$ 0.21	\$ 0.01	\$ 0.34	\$ 0.10
Shares used in calculating basic income (loss) per share	22,319	22,693	22,290	22,737
Diluted income per share from continuing operations	\$ 0.20	\$ 0.08	0.34	0.25
Diluted income (loss) per share from discontinued operations	-	(0.07)	-	(0.16)
Diluted net income per share	\$ 0.20	\$ 0.01	\$ 0.34	\$ 0.09
Shares used in calculating diluted income (loss) per share	22,769	23,300	22,437	23,458

<FN>

* Certain amounts in these periods have been restated for the discontinued operation (General Aviation) and subsequent to the restatement, certain amounts in this period related to certain product lines have been reclassified to include amounts in continuing operations that were previously included in discontinued operations. See Note 3 for further explanation.

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See accompanying notes to condensed consolidated financial statements.

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TRIMBLE NAVIGATION LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	July 2, 1999	July 3, 1998 *
(In thousands)		
Net cash provided by operating activities of continuing operations	\$ 9,465	\$ 5,686
Net cash used by operating activities of discontinued operations	-	\$ (3,724)

Net cash provided by operating activities	\$ 9,465	\$ 1,962
Cash flow from investing activities:		
Purchase of short term investments	(7,374)	(62,268)
Maturities of short term investments	752	71,947
Sales of short term investments	-	-
Acquisition of property and equipment	(3,105)	(4,500)
Capitalized patent expenditures	(523)	(574)
Net cash provided (used) in investing activities of continuing operations	(10,250)	4,605
Net cash used in investing activities of discontinued operations	-	(20)
Net cash provided (used) in investing activities	(10,250)	4,585
Cash flow from financing activities:		
Issuance of common stock	1,948	3,203
Repurchase of common stock	-	(8,754)
(Payment)/collections of notes receivable	484	(294)
(Payment)/proceeds from long-term debt and revolving credit facilities	(1,332)	2,527
Net cash provided (used) by financing activities of continuing operations	1,100	(3,318)
Net cash provided (used) by financing activities	1,100	(3,318)
Net increase in cash and cash equivalents	315	3,229
Cash and cash equivalents -- beginning of period	40,865	19,951
Cash and cash equivalents -- end of period	\$ 41,180	\$ 23,180
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 751	\$ 811
Income taxes, net of refunds	\$ 41	\$ 983

<FN>

* Certain amounts in this period have been restated for the discontinued operation (General Aviation) and subsequent to the restatement, certain amounts in this period related to certain product lines have been reclassified to include amounts in continuing operations that were previously included in discontinued operations. See Note 3 for further explanation.

</FN>

See accompanying notes to condensed consolidated financial statements.

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TRIMBLE NAVIGATION LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - Basis of Presentation:

The condensed consolidated financial statements for the three and six month periods ended July 2, 1999, and July 3, 1998, which are presented in this Quarterly Report on Form 10-Q are unaudited. The balance sheet at January 1, 1999, has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, these statements include all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended January 1, 1999. The three and six month periods ending July 3, 1998 have been restated to reflect a subsequently retained portion of discontinued operations. See Note 3.

The Company has a 52-53 week fiscal year which ends on the Friday nearest to December 31, which for fiscal 1999 will be December 31, 1999.

The results of operations for the three and six month periods ended July 2, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999.

NOTE 2 - Inventories:

Inventories from continuing operations consist of the following:

July 2, 1999	January 1, 1999
-----------------	--------------------

(In thousands)

Raw materials	\$ 16,972	\$ 22,480
Work-in-process	6,018	4,033
Finished goods	9,798	10,653
	-----	-----
	\$ 32,788	\$ 37,166
	-----	-----

NOTE 3 - Discontinued Operations:

On October 2, 1998, the Company adopted a plan to discontinue its General Aviation division. The Company currently anticipates that the division will be disposed of by September 1999. Accordingly, the General Aviation division is being reported as a discontinued operation for all periods presented in these financial statements. Net assets of the discontinued operation at October 2, 1998 were written off and consisted primarily of inventory, property, plant and equipment and intangible assets.

As of July 2, 1999, in connection with the discontinued operations, the Company had incurred cumulative net expenses of \$4.8 million consisting of spending of \$5.3 million for operating loss for the discontinued operation through the estimated date of disposal including severance costs and receipt of \$543,000 related to the sale of particular inventory items and fixed assets. The Company has a remaining provision of \$6.4 million which includes \$4.1 million for the estimated operating losses through the estimated date of disposal

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including remaining severance costs and \$2.3 million for facility and certain other contractual costs.

On March 31, 1999 the Company made the decision to retain certain product lines included within the General Aviation division which were part of the previously planned discontinued operations. The basis of the decision was that these products use common raw materials and labor which are necessary for the Company's Air Transport products and, therefore, these particular product lines could be retained without adding additional overhead from the overhead currently required for the Air Transport products. The revenues and costs related to the products retained have been included in the results of operations of continuing operations in the periods presented.

The net revenues of the discontinued operation, which have been restated to exclude the retained product lines, are not included in net revenues of continuing operations in the accompanying statements of operations. The operating results for the three and six months ended July 3, 1998 of the discontinued operation are summarized as follows:

	Three Months Ended July 3, 1998	Six Months Ended July 3, 1998
(In thousands)		
Net revenues	\$ 2,314	\$ 4,761
Loss before tax provision	(1,637)	(3,724)
Income tax provision	-	-
	=====	=====
Net loss	\$ (1,637)	\$ (3,724)
	=====	=====
Basic and diluted net loss per share	\$ (0.07)	\$ (0.16)

NOTE 4 - Restructuring Charge:

In fiscal 1998, the Company recorded restructuring charges totaling \$10.3 million in operating expenses.

These charges were a result of the Company's reorganization activities, through which the Company has downsized its operations, including reducing headcount and facilities space usage and canceling its enterprise wide information system project and certain research and development projects. The impact of these decisions was that significant amounts of the Company's fixed

assets, prepaid expenses, and purchased technology have been impaired and certain liabilities incurred. The Company wrote down the related assets to their net realizable values and made provisions for the estimated liabilities.

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The activity in fiscal 1999 and 1998 related to the restructuring and the amounts remaining at July 2, 1999 on the balance sheet are as follows (in thousands):

	Total charged to expense in fiscal 1998	Amounts paid/written off	Remaining in accrued liabilities as of July 2, 1999
Employee termination benefits	\$ 2,864	\$ (1,962)	\$ 902
Facility space reductions	1,061	(823)	238
ERP system abandonment	6,360	(5,589)	771
Subtotal	\$10,285	\$ (8,374)	\$ 1,911

NOTE 5 - Segment Information:

The Company currently manages its industry segment within two Business Units: the Precision Positioning Group (PPG) and the Mobile and Timing Technologies (MTT) Group.

The accounting policies applied by each of the markets are the same as those used by the Company in general.

The following table presents revenues, operating income (loss), and identifiable assets by the Company's Business Units. The Company has no inter-Business Unit sales or transfers. As presented, operating income (loss) consists of net sales less operating expenses, excluding general corporate expenses, interest income (expense), and income taxes. The identifiable assets that the Chief Operating Decision Maker (CODM) views by industry market are accounts receivable and inventory. The Company does not report depreciation and amortization or capital expenditures by industry markets to the CODM.

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	Three Months Ended July 2, 1999			Six Months Ended July 2, 1999		
	(in thousands)			(in thousands)		
	PPG	MTT	Total	PPG	MTT	Total
External net revenue	\$ 41,581	\$ 29,258	\$ 70,839	\$ 84,147	\$ 55,462	\$ 139,609
Operating profit before corporate allocations	13,510	4,347	17,857	27,895	7,672	35,567
Corporate allocations (1)	(6,165)	(2,872)	(9,037)	(12,351)	(5,363)	(17,714)
Operating profit from continuing operations	\$ 7,345	\$ 1,475	\$ 8,820	\$ 15,544	\$ 2,309	\$ 17,853
Assets:						
Accounts receivable (2)				\$ 26,848	\$ 25,209	\$ 52,057
Inventory				12,340	20,385	32,725

	Three Months Ended July 3, 1998			Six Months Ended July 3, 1998		
	(in thousands)			(in thousands)		
	PPG	MTT	Total	PPG	MTT	Total
External net revenue	\$ 43,659	\$ 29,877	\$ 73,536	\$ 84,805	\$ 62,892	\$ 147,697
Operating profit before corporate allocations	7,969	1,551	9,520	14,116	5,865	19,981
Corporate allocations (1)	(4,276)	(2,033)	(6,309)	(8,123)	(3,991)	(12,114)
Operating profit/(loss) from continuing operations	\$ 3,693	\$ (482)	\$ 3,211	\$ 5,993	\$ 1,874	\$ 7,867

	Twelve Months Ended January 1, 1999		
	(in thousands)		
	PPG	MTT	Total
Assets:			
Accounts receivable (2)	\$ 32,197	\$ 14,837	\$ 47,034
Inventory	10,042	16,251	26,293

<FN>

(1) For the three and six months ended July 2, 1999, the Company determined the amount of corporate allocations charged to its Business Units based on a percentage of the Business Units' monthly revenue, gross profit, and controllable spending (research and development, marketing, and general and administrative). For the three and six months ended July 3, 1998, the Company determined the amount of the corporate allocations charged to its Business Units based on a percentage of the Business Units' monthly inventory balance and gross profit. Allocation percentages were determined at the beginning of each of the respective fiscal years.

(2) As presented, the accounts receivable number excludes cash in advance and reserves, which are not, allocated between Business Unit segments.

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Following are reconciliations corresponding to totals in the accompanying consolidated financial statements (in thousands):

	Three Months Ended		Six Months Ended	
	July 2, 1999	July 3, 1998	July 2, 1999	July 3, 1998
Revenues:				
Total for reportable markets	\$ 70,839	\$ 73,536	\$ 139,609	\$ 147,697
Operating profit/(loss) from continuing operations:				
Total for reportable markets	\$ 8,820	\$ 3,211	\$ 17,853	\$ 7,867
Unallocated corporate expenses	(3,255)	(1,516)	(8,555)	(1,890)
Income before income taxes from continuing operations	\$ 5,565	\$ 1,695	\$ 9,298	\$ 5,977
Assets:			Six Months Ended July 2, 1999	Twelve Months Ended January 1, 1999
Accounts receivable total for reportable markets			\$ 52,057	\$ 47,034
Unallocated (1)			(13,104)	(13,603)
Total			\$ 38,953	\$ 33,431
Inventory total for reportable markets			\$ 32,725	\$ 26,293
Common inventory (2)			63	10,873
Net inventory			\$ 32,788	\$ 37,166

<FN>

(1) Includes cash in advance and reserves that are not allocated by segment.

(2) Consists of inventory that is common between the Business Unit segments. Parts can be used by either segment.

</FN>

NOTE 6 - Comprehensive Income (Loss):

The components of comprehensive income, net of related tax for the three and six months ended July 2, 1999 and July 3, 1998 are as follows:

	Three Months Ended		Six Months Ended	
	July 2, 1999	July 3, 1998	July 2, 1999	July 3, 1998
(In thousands)				
Net income	\$ 4,656	\$ 255	\$ 7,670	\$ 2,170
Unrealized losses on securities	(45)	(17)	(52)	(12)
Foreign currency translation adjustments	(90)	(258)	(203)	(462)
Comprehensive income	\$ 4,521	\$ (20)	\$ 7,415	\$ 1,696

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The components of accumulated other comprehensive loss, net of related taxes at July 2, 1999 and January 1, 1999 is as follows:

	July 2, 1999	January 1, 1999
(In thousands)		

Unrealized gains (loss) on securities	\$ (33)	\$ 19
Foreign currency translation adjustments	(1,014)	(811)
	-----	-----
Accumulated comprehensive loss	\$ (1,047)	\$ (792)
	=====	=====

NOTE 7 - New Accounting Standards:

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, (SFAS 133) "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 will require the Company to record all derivatives held on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. With respect to derivatives which are hedges, then depending on the nature of the hedge, changes in the fair value of derivatives either will be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings, or will be recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. In June of 1999 the Financial Accounting Standards Board delayed the effective date of implementation for one year; therefore, SFAS 133 is effective for fiscal years beginning after June 15, 2000. The Company expects to adopt SFAS 133 as of the beginning of its fiscal year 2001. The effect of adopting the Standard is currently being evaluated, but is not expected to have a material adverse effect on the Company's financial position or results of operations.

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NOTE 8 - Earnings Per Share:

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	July 2, 1999	July 3, 1998	July 2, 1999	July 3, 1998

(In thousands, except per share amounts)				

Numerator:				
Income from continuing operations available to common shareholders used in basic and diluted income per share	\$ 4,656	\$ 1,892	\$ 7,670	\$ 5,894
Loss from discontinued operations available to common shareholders used in basic and diluted income per share	\$ -	\$ (1,637)	\$ -	\$ (3,724)
	-----	-----	-----	-----
Income from operations available to common shareholders used in basic and diluted income per share	\$ 4,656	\$ 255	\$ 7,670	\$ 2,170
	=====	=====	=====	=====
Denominator:				
Weighted-average number of common shares used in calculating basic income per share	22,319	22,693	22,290	22,737
Effect of dilutive securities:				
Common stock options	413	448	147	551
Common stock warrants	37	159	-	170
	-----	-----	-----	-----
Weighted-average number of common shares and dilutive potential common shares used in calculating diluted income per share	22,769	23,300	22,437	23,458
	=====	=====	=====	=====
Basic income per share from continuing operations	\$ 0.21	\$ 0.08	\$ 0.34	\$ 0.26
Basic loss per share from discontinued operations	\$ -	\$ (0.07)	\$ -	\$ (0.16)
	-----	-----	-----	-----
Basic income per share	\$ 0.21	\$ 0.01	\$ 0.34	\$ 0.10
	=====	=====	=====	=====
Diluted income per share from continuing operations	\$ 0.20	\$ 0.08	\$ 0.34	\$ 0.25
Diluted loss per share from discontinued operations	\$ -	\$ (0.07)	\$ -	\$ (0.16)
	-----	-----	-----	-----
Diluted income per share	\$ 0.20	\$ 0.01	\$ 0.34	\$ 0.09
	=====	=====	=====	=====

NOTE 9 - Contingencies:

Shareholder Litigation

On December 6, 1995, two shareholders filed a class action lawsuit against the Company and certain directors and officers of the Company. Subsequent to that date, additional lawsuits were filed by other shareholders. The lawsuits were subsequently amended and consolidated into one complaint, which was filed on April 5, 1996. The amended consolidated complaint sought to bring an action as a class action consisting of all persons who purchased the Common Stock of

the Company during the period April 18, 1995, through December 5, 1995 (the "Class Period"). The plaintiffs alleged that the defendants sought to induce the members of the Class to purchase the Company's Common Stock during the Class Period at artificially inflated prices. The plaintiffs seek rescissory or compensatory damages with interest thereon, as well as reasonable attorneys' fees and extraordinary equitable and/or injunctive relief. The Company filed a motion to dismiss, which was heard by the Court on August 16, 1996. The court rejected the plaintiffs' lawsuit, but allowed thirty days to resubmit its complaint. On September 24, 1996, the plaintiffs filed an amended complaint. On April 28, 1997, the Court granted in part, and denied in part, the Company's motion to dismiss. The Court further granted the plaintiffs leave to replead

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certain dismissed claims. On June 19, 1997, the plaintiffs filed a third amended and consolidated complaint. The Company has answered the complaint by denying all liability. On March 19, 1999, the parties executed a Memorandum of Understanding with respect to settlement of the litigation. The parties have negotiated a definitive stipulation of settlement and on September 20, 1999, a court hearing will be held in order for the Court to decide whether or not to approve the terms of the settlement. There can be no assurance that such approval will be granted. If the litigation is settled as provided by the current terms of the settlement, the outcome will not have a material adverse effect on the Company's financial position or results of operations.

Other Litigation

On November 12, 1998, the Company brought suit in district court in San Jose, California against Silicon RF Technology, Inc. (SiRF) for alleged patent infringement of three Trimble patents. No action by the Court has taken place yet.

On January 31, 1997, counsel for one Philip M. Clegg wrote to the Company asserting that a license under Mr. Clegg's U.S. Patent No. 4,807,131, which was issued February 21, 1989, would be required by the Company because of a joint venture that the Company had previously entered into with Caterpillar Corporation concerning the use of Trimble GPS products in combination with earth moving equipment. To date, no infringement action has been initiated on behalf of Mr. Clegg. The Company does not believe that there will be any adverse consequences to the Company as a result of this inquiry.

Other Matters

Western Atlas, a Houston based supplier to the oil exploration business, has accused the Company and other GPS manufacturers, suppliers and users of infringing two U.S. Patents owned by it, namely U.S. Patent Nos. 5,014,066 and 5,619,212. Western Atlas contends that the foregoing patents cover certain aspects of GPS receiver design. Lawsuits for infringement of these two patents were filed in federal district court in Houston, Texas against Rockwell International Corp., currently pending and Garmin International Inc. which has been settled. Although Trimble has not been sued by Western Atlas on the foregoing patents, the Company has instructed its counsel thoroughly to investigate the infringement threat. At the present time, the Company does not expect this threat to have adverse consequences on the Company's business.

NOTE 10 - Subsequent Event:

On August 10, 1999, the Company signed a Supply Agreement with Solectron Corporation and Solectron Federal Systems, Inc. (collectively "Solectron"). The Agreement is an exclusive arrangement between both parties for all manufacturing being outsourced by Trimble for three years effective August 13, 1999. In addition, the Company has signed an agreement to sell substantially all the manufacturing assets, associated commitments, and manufacturing technology in its Sunnyvale location to Solectron as of August 13, 1999 for cash of approximately \$28 million. The final purchase price for these assets will be based on the value of the inventory, assets, and commitments on hand at close of business on August 13, 1999. The valuation is expected to be finalized by the end of the third quarter and the anticipated gain on the transaction will be recognized over the exclusive life of the Supply Agreement.

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This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results could differ materially from those indicated in the forward-looking statements as a result of the risk factors set forth in this report. The Company has attempted to identify forward-looking statements in this report by placing an asterisk (*) in the left-hand margin of paragraphs containing those statements.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF CONTINUING OPERATIONS

Revenues

Revenues of continuing operations for the three and six months ended July 2, 1999 were \$70,839,000 and \$139,609,000 respectively, compared with \$73,536,000 and \$147,697,000 in the corresponding 1998 periods. The table below breaks out the Company's revenues by segment:

	Three Months Ended			Six Months Ended		
	July 2, 1999	July 3, 1998	Decrease	July 2, 1999	July 3, 1998	Decrease
(In thousands)						
Precision Positioning Group	\$ 41,581	\$43,659	(5%)	\$ 84,147	\$ 84,805	(1%)
Mobile and Timing Technologies	29,258	29,877	(2%)	55,462	62,892	(12%)
Total	\$ 70,839	\$73,536	(4%)	\$ 139,609	\$ 147,697	(5%)

Precision Positioning Group

Precision Positioning Group revenues decreased for both the three and six month periods ended July 2, 1999 as compared to the corresponding periods for 1998. The decrease for the three month period was partially due to a change in distribution model from a dealer commission to a buy sell. The new model discounts revenue, which is offset by lower sales commissions. In addition, there was a reduction in the agriculture product lines due to reduced sales to a U.S. OEM who has been impacted by a reduction in new equipment sales in the agriculture sector, as well as a large shipment to the U.S. government for precision land survey equipment in the second quarter of 1998 that was not repeated in the second quarter of 1999. These decreases were only partially offset by increases in the Mapping and GIS Systems product line.

The decrease for the six month period was primarily due to a change in distribution model from a dealer commission to a buy sell. The new model discounts revenue, which is offset by lower sales commissions. In addition, there was a large shipment to the U.S. government for precision land survey equipment in the second quarter of 1998 which was not repeated in the second quarter of 1999. These decreases were only partially offset by increases in the Mapping and GIS Systems and Mining, Construction and Agricultural product lines.

Mobile and Timing Technologies

Mobile and Timing Technologies revenues decreased for both the three and six month periods ended July 2, 1999, as compared with the corresponding periods in 1998 due primarily to lower shipments to the U.S. government under the CUGR program during 1999 as compared to the same periods for 1998. In addition, the Commercial Avionics product line had strong shipments of the Honeywell-Trimble (HT9100) product to American Airlines during 1998 that have not been repeated in 1999. These decreases were not completely offset by increases in the remaining Automotive, Timing, and Mobile Positioning product lines.

Revenues outside the U.S.

* Sales to unaffiliated customers from continuing operations in locations outside the U.S. comprised approximately 49% and 47% of the Company's revenues

in the first six months of fiscal 1999 and 1998, respectively. During the first six months of 1999, the Company has continued to experience strength in the demand from U.S. and European markets, and had stronger than expected demand in South and Central America. The Company anticipates that export revenues and sales made by its subsidiaries in locations outside the U.S. will continue to account for a significant portion of its revenues and, therefore, the Company is subject to the risks inherent in these international sales, including unexpected changes in regulatory requirements, exchange rates, governmental approvals, tariffs or other barriers. Even though the U.S. government announced on March 29, 1996, that it would support and maintain the GPS system, as well as eliminate the use of Selective Availability (S/A) (a method of degrading GPS accuracy), customers in certain foreign markets may be reluctant to purchase products based on GPS technology given the control of GPS by the U.S. government. The Company's results of operations would be adversely affected if the Company were unable to continue to generate significant sales in locations outside the U.S.

Gross Margin

* Gross margin from continuing operations varies on a quarterly basis due to a number of factors, including product mix, technology license fees, domestic versus international sales, customer type, the effects of production volumes and fixed manufacturing costs on unit product costs and new product start-up costs. Gross margin as a percentage of total product revenues was 53% and 52% for the three and six month periods ending July 2, 1999 as compared with 49% and 51% in the corresponding 1998 periods. The increases in gross margin percentages primarily reflect improved manufacturing cost control achieved through the consolidation of the manufacturing organization resulting in improved efficiencies and reduced inventory. Because of mix changes within and among the Business Units, market pressures on unit selling prices, fluctuations in unit manufacturing costs, and other factors, there is no assurance that current margins will be sustained.

* The Company also expects that a higher percentage of its business in the future will be conducted through alliances with larger strategic partners. As a result of volume pricing and the assumption of certain operating costs in connection with such partners, margins related to these revenues from strategic alliances are likely to be lower than revenues from sales directly to end-users.

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Operating Expenses

The following table shows operating expenses from continuing operations for the periods indicated and should be read in conjunction with the narrative descriptions of those operating expenses below:

	Three Months Ended			Six Months Ended		
	July 2, 1999	July 3, 1998	Increase/ (Decrease)	July 2, 1999	July 3, 1998	Increase/ (Decrease)
(In Thousands)						
Research and development	\$ 9,444	\$11,199	(16) %	\$ 17,951	\$22,353	(20) %
Sales and marketing	13,972	15,762	(11) %	27,276	31,588	(14) %
General and administrative	8,630	7,603	14 %	18,653	14,667	27 %
Total	\$32,046	\$34,564	(7) %	\$ 63,880	\$68,608	(7) %

Research and Development

* Research and development expenses decreased in the three and six month periods ended July 2, 1999, as compared with the corresponding period in fiscal 1998. The lower research and development expenses for the second quarter and first half of fiscal 1999 as compared with the corresponding periods in fiscal 1998 are primarily due to the Company receiving increased funds from cost reimbursement projects. Also there was a decrease in personnel, consultants, electronic parts and other supplies expense as part of the Company's restructuring plan that was implemented in the last half of 1998. The Company plans to continue its aggressive development of future products.

* The Company expects that a significant portion of its future revenues and operating income will continue to be derived from sales of newly introduced

products. Consequently, the Company's future success depends, in part, on its ability to continue to advance product technology and to develop and manufacture new competitive products with high gross profit margins. Development and manufacturing schedules for technology products are difficult to predict, and there can be no assurance that the Company will achieve timely initial customer shipments of new products. The timely availability of these products in volume and their acceptance by customers are important to the future success of the Company.

Sales and Marketing

The decrease in sales and marketing expenses for the three and six month periods ended July 2, 1999, as compared with the corresponding periods in fiscal 1998 is due primarily to decreases in personnel, travel, advertising, trade shows, and commission expenses as part of the Company's restructuring plan which was implemented in the last half of 1998.

* The Company's future growth will also depend upon the timely development and continued viability of the Business Unit segments in which the Company currently competes and upon the Company's ability to continue to identify and penetrate new markets for its products. In addition, the Company has significant competition in some markets, and the Company expects such competition to intensify as the market for GPS applications receives greater acceptance. Several of the Company's competitors are major corporations with substantially greater financial, technical, marketing and manufacturing resources. Increased competition is likely to result in reduced market share and in price reductions of GPS-based products, which could adversely affect the Company's revenues and profitability if the Company is unable to make corresponding changes to compete effectively.

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General and Administrative

The increase in general and administrative expenses for the three and six months ended July 2, 1999, as compared with the corresponding periods for fiscal 1998, is primarily due to an increase in the allowance for doubtful accounts related to customers in South America based on a slow down in the South American economy for the first half of 1999. In addition, the Company had an increase in expenditures associated with certain litigation matters during the second quarter and first half of 1999. Also, the Company had an increase in salary related expenses in connection with the hiring of a new CEO in March 1999; an increase in equipment rental expenses; and an increase in building rent in the second quarter and first half of 1999, as compared to the corresponding periods for 1998.

Income Taxes

The Company's effective income tax rate from continuing operations for the three and six months ended July 2, 1999 is 15% as compared with the effective income tax rates from continuing operations of 10% and 11%, respectively, for the corresponding periods in 1998. These rates are less than the federal statutory rate of 35% primarily due to the utilization of net operating loss carryforwards and the realization of previously reserved deferred tax assets.

Inflation

The effects of inflation on the Company's financial results have not been significant to date.

Liquidity and Capital Resources

* At July 2, 1999, the Company had cash and cash equivalents of \$41,180,000 and short-term investments of \$23,643,000. The Company has relied primarily on cash provided by operating and financing activities and net sales of short-term investments to fund capital expenditures, the repurchase of the Company's common stock (see further explanation below), and other investing activities. Management believes that its cash, cash equivalents and short-term investment balances, together with its existing credit line, will be sufficient to meet its anticipated cash needs for at least the next twelve months.

For the six months ended July 2, 1999, net cash provided from operating activities was \$9,465,000 as compared to cash provided of \$1,962,000 in the corresponding period in 1998. Cash provided by operating activities in 1999

resulted from decreases in inventories and increases in accrued compensation and benefits. Inventory from continuing operations as of July 2, 1999 decreased by \$4,378,000 from the 1998 year end levels primarily due to a focused effort by the Company to reduce inventory by supply chain synchronization, reducing lead and cycle times, simplifying product lines, and implementing tighter control over its material forecasting process. The Company's ability to continue to generate cash from operations will depend in a large part on revenues, the rate of collections of accounts receivable and the successful management of the Solectron manufacturing relationship.

* During the third quarter of fiscal 1999 as described in Note 10, the Company expects to receive cash as part of an agreement with Solectron for the outsourcing of the manufacturing operations located in Sunnyvale, California. The anticipated inflow of cash in the third quarter of fiscal 1999 will be employed by the Company to fund capital expenditures and for other investing activities.

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Cash provided by sales of common stock in 1999 represents the proceeds from purchases made pursuant to the Company's stock option plan and employee stock purchase plan and totaled \$1,948,000 for the six months ended July 2, 1999.

* In August 1997, the Company entered into a three-year, \$50,000,000 unsecured revolving credit facility with four banks (the "Credit Agreement"). This credit facility replaced the previous two-year \$30,000,000 unsecured line that expired in August 1997. The Credit Agreement enables the Company to borrow up to \$50,000,000, provided that certain financial and other covenants are met. As of February 16, 1999, the Company, the Agent and the Lenders agreed to new covenants for the life of the loan, which expires in August of 2000. The new covenants have certain limitations which could limit the Company's available credit. The Company does not currently anticipate that these limitations will impact the available credit of the Company. The \$50,000,000 revolving credit facility was modified to include the Company's prior separate \$5,000,000 line of credit and to simplify the entire arrangement, as less than \$150,000 was being utilized under the separate facility as of January 1, 1999. The Credit Agreement provides for payment of a commitment fee of 0.25% and borrowings to bear interest at 1% over LIBOR if the total funded debt to EBITDA is less than or equal to 1.00 times, 0.3% and borrowings to bear interest at 1.25% over LIBOR if the ratio is greater than 1.00 times and less than or equal to 2.00 times, or 0.4% and borrowings to bear interest at 1.75% over LIBOR if the ratio is greater than 2.00 times. In addition to borrowing at the specified LIBOR rate, the Company has the right to borrow with interest at the higher of (i) one of the bank's annual prime rate and (ii) the federal funds rate plus 0.5%. To date, the Company has not made any borrowings under the \$50,000,000 unsecured revolving credit facility, but has issued certain letters of credit under the \$5,000,000 line of credit which is now under the Credit Agreement. In addition, the Company is restricted from paying dividends under the terms of the Credit Agreement.

In June 1994, the Company issued \$30.0 million of subordinated promissory notes bearing interest at an annual rate of 10%, with principal due on June 15, 2001. Interest payments are due monthly in arrears. The notes are subordinated to the Company's senior debt, which is defined as all pre-existing indebtedness for borrowed money and certain future indebtedness for borrowed money (including, subject to certain restrictions, secured bank borrowings and borrowed money for the acquisition of property and capital equipment) and trade debt incurred in the ordinary course of business. If the Company prepays any portion of the principal, it is required to pay additional amounts if U.S. Treasury obligations of a similar maturity exceed a specified yield. Under the agreement, the Company is also restricted from paying dividends.

The issuance of the subordinated promissory notes also included the issuance of warrants entitling holders to purchase 400,000 shares of common stock at a price of \$10.95 per share at any time through June 15, 2001. The net proceeds of the notes were \$29,348,000. The notes are recorded as noncurrent liabilities, net of appraised fair value attributed to the warrants. The value of the warrants and the issuance costs are being amortized to interest expense, using the interest rate method over the term of the subordinated promissory notes. The effective annual interest rate on the notes is 11.5%. Under the terms of the note, the Company is required to meet a minimum consolidated net worth requirement. If the Company falls below the minimum consolidated net worth requirement the Company could be in default of its loan covenants. Such events could have a material adverse effect on the Company's operations and liquidity.

In 1998, the Company approved the repurchase of 1.6 million shares on the open market under a discretionary program to offset the potential dilutive effects to earnings (loss) per share from the issuance of additional stock options. The Company intends to use existing cash, cash equivalents and short-term investments to finance any such stock repurchases under this program. During 1998, the Company purchased 1.08 million shares at a cost of \$16.1 million. During the first six months of fiscal 1999, no shares have been repurchased under the discretionary program.

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The Company is continually evaluating potential external investments in technologies related to its business and, to date, has made relatively small strategic investments in a number of GPS related technology companies. There can be no assurance that any such outside investments made to date nor any potential future investments will be successful.

* The Company has evaluated the issues raised by the introduction of the Single European Currency (Euro) for initial implementation as of January 1, 1999, and during the transition period through January 1, 2002. The Company does not currently believe that the introduction of the Euro will have a material effect on the Company's foreign exchange and hedging activities. The Company has also assessed the potential impact the Euro conversion will have in regard to its internal systems accommodating Euro-denominated transactions. The Company will continue to evaluate the impact of the Euro introduction over time, based on currently available information. The Company does not currently anticipate any adverse impact of the Euro conversion on the Company.

Year 2000 and GPS Week Number Rollover Issues

Computers and software, as well as other equipment that relies on only two digits to identify or represent a year may be unable to accurately process or display certain information at or after the Year 2000. This is commonly referred to as the "Year 2000 issue." The Year 2000 issue may materially affect Trimble's vendors, suppliers, internal systems, products and customers. The Company continues to address the Year 2000 issue to avoid what might otherwise be a material and adverse effect on the Company's consolidated financial position, results of operations, or cash flows.

During the third quarter of 1999 another date-related issue, known as the "GPS Week Number Roll-Over" or "WNRO" issue, could also materially affect various Trimble products. The WNRO issue is unrelated to the Year 2000 issue and is unique to GPS technology. All GPS satellites, which are operated by the U.S. government, broadcast time in the form of a "GPS week number" and a time offset into each "GPS week." Week numbers range from 0 to 1023. Week 0 started on January 6, 1980, and week 1023 will end on August 21, 1999, at which time the week number broadcast by all U.S. GPS satellites will roll over, back to 0. Among other potential effects, this rollover may cause GPS receivers and software that process data obtained by GPS receivers to erroneously interpret high-week-number, pre-WNRO data as post-dating later low-week-number, post-WNRO data. This may cause satellite positions to be miscalculated and produce gross position fix errors. Receivers that process and display calendar dates based on "weeks since 1980" may generate date calculation errors. The Company continues to address the WNRO issue to avoid what might otherwise be a material and adverse effect on the Company's future consolidated financial position, results of operations, or cash flows.

The Company continues to assess the potential impact of both the Year 2000 and WNRO issues on its vendors, suppliers, internal systems, products, and customers-and has begun, and in many cases completed, corrective efforts in these areas.

Year 2000 Remediation Plan

The Company's Board of Directors has adopted a comprehensive Year 2000 Remediation Plan, the goal of which is to minimize business disruptions and risk exposure that might otherwise arise as a consequence of moving into the twenty-first century. The plan focuses on achieving Year 2000 readiness across the Company's entire supply chain, and is designed to deal with the most critical systems first. Additionally, the Company's Year 2000 remediation plan calls for the development of contingency plans to address potential problem areas with internal systems, and with suppliers and other third parties. To these ends, a Y2K Program Management Office has been established to manage and

coordinate implementation of the plan on a companywide basis. It is expected that assessment, remediation, and contingency planning activities will be ongoing throughout 1999, with the objective of appropriately resolving all material Year 2000 issues before the 21st century rollover.

Information Technology and Other Systems

The Company continues to assess the potential impact of the Year 2000 issue on its internal systems, including information technology (IT) and non-IT systems, and has begun corrective efforts in this area, as follows:

- o The Company has upgraded its existing MRP/ERP information systems to a Year 2000 compliant version as of the end of the second quarter. Final testing of the upgraded systems for Year 2000 compliance will be completed before the 21st century rollover. In addition ancillary critical systems will be upgrade to be Year 2000 compliant during the second half of 1999.
- o Assessment and remediation efforts in connection with the Company's other IT and non-IT systems will be undertaken as part of the Company's general Y2K Remediation Plan.

* The Company currently plans to complete renovation, testing and implementation of critical systems, or successful execution of contingency plans, during the second half of 1999. There can be no assurance, however, that there will not be a delay in, or increased costs associated with, such renovation, testing, implementation or execution, and the Company's inability to successfully and timely complete these tasks could have a material adverse effect on future results of operations or financial condition.

Products

To address and minimize the anticipated impact of both the Year 2000 issue and the WNRO issue upon the Company's products, the Company continues to assess the anticipated impact these issues may have on the performance of its products, and resolve various of its current products' related performance problems. In addition, the Company has adopted a formal Year 2000 and GPS Week Number Rollover Policy to:

- o Publish Year 2000 and WNRO related product performance information on the Company's public web site;
- o Respond to individual customer inquiries regarding the anticipated performance of particular Company products;
- o Furnish upgrades to customers whose Trimble products are upgradable; and
- o Provide information regarding available product alternatives to customers with noncompliant products.

Assessment of products, resolution of certain products' Year 2000 and WNRO performance problems, and implementation of the Company's Year 2000 and GPS Week Number Rollover Policy, are ongoing, and as to many Company products is complete.

* The Company does not anticipate that the Year 2000 and WNRO issues will have a material adverse effect on sales of its products. The Company has incurred, and will continue to incur, through 1999 and thereafter, increased expenses associated with Year 2000 and WNRO related product assessment, resolution of certain products' Year 2000 and WNRO performance problems, implementation of the Company's Year 2000 and GPS Week Number Rollover Policy, and fulfillment of Year 2000 and WNRO related customer support and warranty

obligations, in amounts that management believes has not had and will not have a material adverse effect on the Company's historical or future results of operations or financial condition.

Vendors and Suppliers

* For its successful operation, the Company materially relies on goods and services purchased from certain vendors. If these vendors fail to adequately address the Year 2000 issue such that their delivery of goods and services to the Company is materially impaired, it could have a material adverse impact on the Company's operations and financial results. The Company has sent a survey to its principal vendors to assess the effect the Year 2000 issue will have on their ability to supply their goods and services without material interruption, and at this time the Company cannot determine or predict the outcome of this effort. The Company intends to develop and execute contingency plans with respect to vendors who will not be Year 2000 ready in a timely manner where such lack of readiness is expected to have a material adverse impact on the Company's operations. However, because the Company cannot be certain that its vendors will be able to supply goods and services without material interruption, and because the Company cannot be certain that execution of its contingency plans will be capable of implementation or will result in a continuous and adequate supply of such goods and services, the Company can give no assurance that these matters will not have a material adverse effect on the Company's future consolidated financial position, results of operations, or cash flows.

Customers

* The Company has material relationships with certain customers. If the Company's customers fail to achieve an adequate state of Year 2000 readiness in their own operations, or if their Year 2000 readiness efforts consume significant resources, their ability to purchase the Company's products may be impaired. This could adversely affect demand for the Company's products and, therefore, the Company's future revenues. The Company plans to assess the effect the Year 2000 issue will have on its principal customers, and at this time cannot determine the impact it will have.

Related Costs to the Company

* The Company currently expects that the total cost of Year 2000 remediation efforts will not exceed approximately \$1,000,000. The Company has been and will be expensing these costs as incurred. The total cost estimate does not include potential costs related to any customer or other claims or the cost of internal software and hardware replaced in the normal course of business. The total cost estimate is based on the current assessment of the projects, and is subject to change as the projects progress.

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Overall Impact on the Company

* At the present time and subject to the cost estimates above, management does not believe that the Year 2000 and WNRO matters discussed above will have a material adverse impact on the Company's financial condition or overall trends in results of operation. However, it is uncertain to what extent the Company may be affected by such matters and, therefore, there can be no assurance that these matters will not have a material adverse effect on the Company's future consolidated financial position, results of operations, or cash flows.

Other Risk Factors

The Company's revenues have historically tended to fluctuate on a quarterly basis due to the timing of shipments of products under contracts and the sale of licensing rights. A significant portion of the Company's quarterly revenues occurs from orders received and immediately shipped to customers in the last few weeks and days of a quarter. If orders are not received, or if shipments were to be delayed a few days at the end of a quarter, the operating results and reported earnings per share for that quarter could be significantly impacted. Future revenues are difficult to predict, and projections are based primarily on historical models, which are not necessarily accurate representations of the future.

The Company has a relatively fixed cost structure in the short term which is determined by the business plans and strategies the Company intends to implement in the two segments it addresses. Increases or decreases in revenues have more than a proportional impact on net income or losses.

* During the third quarter of fiscal 1999 the Company will be transitioning

to outsourced manufacturing for its Sunnyvale location. The plans for this transition are intended to be smooth with no disruption of customer service, but no assurances can be given that the Company will not incur problems. If the transition causes delays in the Company's ability to meet customers needs this could have a material adverse effect on the Company's operating results. (See Note 10 to the Condensed Consolidated Financial Statements - Subsequent Event.)

With the selection of an exclusive manufacturing partner the Company is substantially dependent upon a sole supplier for the manufacture of its precision positioning, timing, mobile communication, and automotive products. In addition, the Company relies on sole suppliers for a number of its critical Asics. The dependence upon these sole suppliers subjects the Company to risks associated with an interruption of supply if the Company is not able to find alternative sources on a timely basis. There can be no assurance that any delay, disruptions, or quality problems resulting from the use of a sole supplier will not have a material adverse effect on the Company's business and results of operations.

The Company's stock price is subject to significant volatility. If revenues and/or earnings fail to meet the expectations of the investment community, there could be an immediate and significant impact on the trading price of the Company's stock.

The value of the Company's products relies substantially on the Company's technical innovation in fields in which there are many current patent filings. The Company recognizes that as new patents are issued or are brought to the Company's attention by the holders of such patents, it may be necessary for the Company to withdraw products from the market, take a license from such patent holders, or redesign its products. The Company does not believe any of its products currently infringe patents or other proprietary rights of third parties, but cannot be certain they do not do so. In addition, the legal costs and engineering time required to safeguard intellectual property or to defend

against litigation could become a significant expense of operations. Such events could have a material adverse effect on the Company's revenues or profitability. (See Note 9 to the Condensed Consolidated Financial Statements - Contingencies: Other Litigation.)

The Company is continuously evaluating alliances and external investments in technologies related to its business, and has already entered into alliances and made relatively small strategic investments in a number of GPS related technology companies. Acquisitions of companies, divisions of companies, or products and alliances and strategic investments entail numerous risks, including (i) the potential inability to successfully integrate acquired operations and products or to realize anticipated synergies, economies of scale, or other value; (ii) diversion of management's attention; (iii) loss of key employees of acquired operations; and (iv) inability to recover strategic investments in development stage entities. Any such problems could have a material adverse effect on the Company's business, financial condition, and results of operations. No assurances can be given that the Company will not incur problems from current or future alliances, acquisitions, or investments. Furthermore, there can be no assurance that the Company will realize value from any such alliances, acquisitions, or investments.

* The ability of the Company to maintain its competitive technological position will depend, in a large part, on its ability to attract, motivate and retain highly qualified development and managerial personnel. Competition for qualified employees in the Company's industry and location is intense, and there can be no assurance that the Company will be able to attract, motivate and retain enough qualified employees necessary for the future continued development of the Company's business and products.

The Company has certain products that are subject to governmental and similar certifications before they can be sold. For example, FAA certification is required for all aviation products. Also, the Company's products that use integrated radio communication technology require an end-user to obtain licensing from the Federal Communications Commission (FCC) for frequency-band usage. During the fourth quarter of 1998, the FCC temporarily suspended the issuance of licenses for certain of the Company's Real-time Kinematic products because of interference with certain other users of similar radio frequencies. An inability or delay in obtaining such certifications or FCC's delays could

have an adverse effect on the Company's operating results.

The Company's GPS technology is dependent on the use of radio frequency spectrum. The assignment of spectrum is controlled by an international organization known as, the International Telecommunications Union (ITU). Any ITU reallocation of radio frequency spectrum, including frequency band segmentation or sharing of spectrum, may materially and adversely affect the utility and reliability of the Company's products, which would, in turn, cause a material adverse effect on the Company's operating results. In addition, emissions from mobile satellite service and other equipment operating in adjacent frequency bands may materially and adversely affect the utility and reliability of the Company's products, which could result in a material adverse effect on the Company's operating results.

The Company's products rely on signals from the GPS NAVSTAR satellite system built and maintained by the U.S. Department of Defense. NAVSTAR satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible sabotage. The satellites have design lives of 7.5 years and are subject to damage by the hostile space environment in which they operate. The array of satellites consists of 27 of which the oldest satellite has been in orbit for 20 years and the youngest satellite has been in orbit for 4 years. To repair damaged or malfunctioning satellites is currently not economically feasible. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites would impair the current utility of the GPS system and the growth of current and additional market opportunities. In addition, there can be no assurance that the U.S. government will remain

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committed to the operation and maintenance of GPS satellites over a long period of time, or that the policies of the U.S. government for the use of GPS without charge will remain unchanged. However, in 1996 the U.S. Administration announced the first comprehensive national policy statement on GPS, known as the Presidential Decision Directive, which confirms civilian, commercial, and consumer access to the use of GPS free of direct user fees. The U.S. Congress provided a statutory foundation for this access in the National Defense Authorization Act for fiscal year 1998. Because of ever-increasing commercial applications of GPS, other U.S. government agencies may become involved in the administration or the regulation of the use of GPS signals in the future. Any of the foregoing factors could affect the willingness of buyers of the Company's products to select GPS-based systems instead of products based on competing technologies. Any resulting change in market demand for GPS products would have a material adverse effect on the Company's financial results. In 1995, certain European government organizations expressed concern regarding the susceptibility of GPS equipment to intentional or inadvertent signal interference. Such similar concern could translate into reduced demand for GPS products in certain geographic regions in the future.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

The following is a discussion of the Company's exposure to market risk related to changes in interest rates and foreign currency exchange rates. The Company uses certain derivative financial instruments to manage these risks. The Company does not use derivative financial instruments for speculative or trading purposes. All financial instruments are used in accordance with board-approved policies.

Market Interest Rate Risk

Short-term Investments Owned by the Company. As of July 2, 1999, the Company had short-term investments of \$23.6 million. These short-term investments consist of highly liquid investments with original maturities at the date of purchase between three and twelve months. These investments are subject to interest rate risk and will decrease in value if market interest rates increase. A hypothetical 10 percent increase in market interest rates from levels at July 2, 1999 would cause the fair value of these short-term investments to decline by an immaterial amount. Because the Company has the ability to hold these investments until maturity the Company would not expect the value of these investments to be affected to any significant degree by the effect of a sudden change in market interest rates. Declines in interest rates over time will, however, reduce the Company's interest income.

Outstanding Debt of the Company. As of July 2, 1999, the Company had outstanding long-term debt of approximately \$30.0 million of subordinated promissory notes at a fixed interest rate of 10 percent. The interest rate of this instrument is fixed. However, a hypothetical 10 percent decrease in the interest rates would not have a material impact on the Company. Increases in interest rates could, however, increase interest expense associated with future borrowings of the Company, if any. The Company does not currently hedge against interest rate increases.

Foreign Currency Exchange Rate Risk

The Company hedges risks associated with foreign currency transactions in order to minimize the impact of changes in foreign currency exchange rates on earnings. The Company utilizes forward contracts to hedge trade and intercompany receivables and payables. These contracts reduce the exposure to fluctuations in exchange rate movements, as the gains and losses associated with foreign currency balances are generally offset with the gains and losses on the hedge contracts. All hedge instruments are marked to market through earnings every period.

* The Company does not anticipate any material adverse effect on its consolidated financial position utilizing the current hedging strategy.

All contracts have a maturity of less than one year, and the Company does not defer any gains and losses, as they are all accounted for through earnings every period.

The following table provides information about the Company's foreign exchange forward contracts outstanding:

Currency	Buy/ Sell	Foreign Currency Amount (in thousands)	Contract Value USD (in thousands)	Fair Value in USD (in thousands)
YEN	Sell	293,900	\$ 2,554	\$ 2,447
NZD	Buy	4,600	\$ 2,522	\$ 2,456
Euro	Sell	1,050	\$ 1,097	\$ 1,077
STERLING	Buy	1,000	\$ 1,605	\$ 1,580

The hypothetical changes and assumptions made above will be different from what actually occurs in the future. Furthermore, the computations do not anticipate actions that may be taken by the Company's management, should the hypothetical market changes actually occur over time. As a result, actual earnings effects in the future will differ from those quantified above.

PART II. OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's 1999 annual meeting of shareholders was held at the Westin Hotel in Santa Clara, located at 5101 Great America Parkway, Santa Clara, California 95054 in the Magnolia Room, on Wednesday, June 2, 1999, at 1:00 p.m. local time.

At the annual shareholder meeting, an election of directors was held with the following individuals being elected to the Company's Board of Directors.

	Vote	
	For	Withheld
Steven W. Berglund	19,150,980	610,037
Robert S. Cooper	16,698,377	3,062,640
John B. Goodrich	16,683,621	3,077,396
William Hart	18,025,068	1,735,949

Norman Y. Mineta	19,101,810	659,207
Bradford W. Parkinson	17,440,460	2,320,557

Other matters voted upon at the annual shareholder meeting and the results of the voting with respect to each such matter were as follows:

1. To approve an increase of 1,200,000 shares in the number of shares of Common Stock reserved for issuance under the Company's 1993 Stock Option Plan from 3,800,000 shares to an aggregate of 5,000,000 shares (10,152,549 in favor; 2,520,461 opposed; 66,448 abstentions; 7,021,559 broker non-votes).

2. To approve an increase of 600,000 shares in the number of shares of Common Stock available for purchase by eligible employees under the Company's 1988 Employee Stock Purchase Plan from 2,350,000 shares to an aggregate of 2,950,000 shares (11,329,140 in favor; 1,354,579 opposed; 55,739 abstentions; 7,021,559 broker non-votes).

3. To ratify the appointment of Ernst & Young LLP as the independent auditors of the Company for the current fiscal year ending December 31, 1999 (19,513,165 in favor; 197,052 opposed; 197,052 abstentions; 0 broker non-votes).

Item 5. OTHER INFORMATION

On August 10, 1999, the Company signed an Asset Purchase Agreement with Soleclectron Corporation and Soleclectron Federal Systems, Inc. (collectively, "Soleclectron"). The closing of the transaction occurred on August 13, 1999. At the closing of the Asset Purchase Agreement, the Company transferred to Soleclectron substantially all of the Company's tangible manufacturing assets located at the Company's Sunnyvale, California campus, including but not limited to equipment, fixtures and work in progress, and certain contract and other intangible assets and rights, together with certain related obligations, including but not limited to real property subleases covering the Company's manufacturing floor space, and outstanding purchase order commitments. In addition, the Asset Purchase

Agreement also provides for Soleclectron's subsequent purchase, on August 30, 1999, of all of Trimble's component inventory which was on hand as of August 13, 1999.

Trimble received cash at the closing of the Asset Purchase Agreement, representing an interim estimate of the value of the assets purchased by Soleclectron, excluding inventory, and expects to receive an additional cash payment on August 30, 1999, representing an interim estimate of the component inventory to be sold to Soleclectron.

The final purchase price for all of the Company's assets to be sold to Soleclectron, including the component inventory, will be determined, and the cash payment between the parties will be adjusted, based upon a subsequent determination of all such purchased assets actually on hand at Trimble as of the date of closing of the Asset Purchase Agreement. The Company estimates that the final purchase price as so determined will be approximately \$28 million. Such final determination, and the final purchase price, is expected to be finalized by the end of the Company's third fiscal quarter. Upon such final determination, the Company will calculate its gain on the transaction, if any, and will recognize any such gain over the exclusive life of the Supply Agreement described below.

Concurrently with the closing of the Asset Purchase Agreement, the Company and Soleclectron also entered into a Supply Agreement. The Supply Agreement provides for the exclusive manufacture by Soleclectron of almost all Trimble products for a period of three years.

Soleclectron will initially manufacture such Trimble products under the Supply Agreement in the same Trimble buildings in which such products were previously manufactured by Trimble, and Trimble has sublet such space to Soleclectron as part of this transaction. Soleclectron has offered employment to approximately 230 Trimble manufacturing, engineering and related support personnel, and Trimble understands that substantially all such employees have accepted employment with Soleclectron.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

- A. Exhibits
- 10.59 1993 Stock Option Plan, as amended
 - 10.60 1988 Employee Stock Purchase Plan, as amended
 - 27.1 Financial Data Schedule for the quarters ended July 2, 1999 and July 3, 1998

B. Reports on Form 8-K

There were no reports on Form 8-K filed during the fiscal quarter ended July 2, 1999.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRIMBLE NAVIGATION LIMITED
(Registrant)

By: /s/ Mary Ellen Genovese
Mary Ellen Genovese
(Chief Financial Officer, Vice President Finance, and
Corporate Controller)

DATE: August 13, 1999

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TRIMBLE NAVIGATION LIMITED

1993 STOCK OPTION PLAN
(as amended June 2, 1999)

1. Purposes of the Plan. The purposes of this Stock Option Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to the Employees and Consultants of the Company and to promote the success of the Company's business.

Options granted hereunder may be either Incentive Stock Options or Nonstatutory Stock Options, at the discretion of the Board and as reflected in the terms of the written option agreement.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees appointed pursuant to Section 4 of the Plan.

(b) "Board" shall mean the Committee, if one has been appointed, or the Board of Directors of the Company, if no Committee is appointed.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) "Committee" shall mean the Committee appointed by the Board of Directors in accordance with paragraph (a) of Section 4 of the Plan, if one is appointed.

(e) "Common Stock" shall mean the Common Stock of the Company.

(f) "Company" shall mean Trimble Navigation Limited, a California corporation.

(g) "Consultant" shall mean any person who is engaged by the Company or any Parent or Subsidiary to render consulting services and is compensated for such consulting services, and any director of the Company whether compensated for such services or not, provided that the term Consultant shall not include directors who are not compensated for their services or are paid only a director's fee by the Company.

(h) "Continuous Status as an Employee or Consultant" shall mean the absence of any interruption or termination of service as an Employee or Consultant. Continuous Status as an Employee or Consultant shall not be considered interrupted in the case of sick leave, military leave, or any other leave of absence approved by the Company or any Parent or Subsidiary of the Company; provided that such leave is for a period of not more than 90 days or reemployment upon the expiration of such leave is guaranteed by contract or statute.

(i) "Employee" shall mean any person, including officers and directors, employed by the Company or any Parent or Subsidiary of the Company. The payment of a director's fee by the Company shall not be sufficient to constitute "employment" by the Company.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

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(k) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system including without limitation the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation ("NASDAQ") System, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported, as quoted on such system or exchange for the last market trading day prior to the time of determination) as reported in the Wall Street Journal or

such other source as the Administrator deems reliable;

(ii) If the Common Stock is quoted on the NASDAQ System (but not on the National Market System thereof) or regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high and low asked prices for the Common Stock or;

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Administrator.

(l) "Incentive Stock Option" shall mean an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(m) "Nonstatutory Stock Option" shall mean an Option not intended to qualify as an Incentive Stock Option.

(n) "Option" shall mean a stock option granted pursuant to the Plan.

(o) "Optioned Stock" shall mean the Common Stock subject to an Option.

(p) "Optionee" shall mean an Employee or Consultant who receives an Option.

(q) "Parent" shall mean a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.

(r) "Plan" shall mean this 1993 Stock Option Plan.

(s) "Share" shall mean a share of the Common Stock, as adjusted in accordance with Section 11 of the Plan.

(t) "Subsidiary" shall mean a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 11 of the Plan, the maximum aggregate number of shares which may be optioned and sold under the Plan is 5,000,000 shares of Common Stock. The Shares may be authorized, but unissued, or reacquired Common Stock.

If an Option should expire or become unexercisable for any reason without having been exercised in full, the unpurchased Shares which were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. Notwithstanding any other provision of the Plan, shares

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issued under the Plan and later repurchased by the Company shall not become available for future grant or sale under the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. The Plan may be administered by different Committees with respect to different groups of Employees and Consultants.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Options granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(b) Powers of the Administrator. Subject to the provisions of the Plan and in the case of a Committee, the specific duties delegated by the Board to

such Committee, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value of the Common Stock, in accordance with Section 2(k) of the Plan;

(ii) to select the officers, Consultants and Employees to whom Options may from time to time be granted hereunder;

(iii) to determine whether and to what extent Options are granted hereunder;

(iv) to determine the number of shares of Common Stock to be covered by each such award granted hereunder;

(v) to approve forms of agreement for use under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder (including, but not limited to, the share price and any restriction or limitation, or any vesting acceleration or waiver of forfeiture restrictions regarding any Option and/or the shares of Common Stock relating thereto, based in each case on such factors as the Administrator shall determine, in its sole discretion);

(vii) to determine whether and under what circumstances an Option may be settled in cash under subsection 9(e) instead of Common Stock;

(viii) to determine whether, to what extent and under what circumstances Common Stock and other amounts payable with respect to an award under this Plan shall be deferred either automatically or at the election of the participant (including providing for and determining the amount, if any, of any deemed earnings on any deferred amount during any deferral period);

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(ix) to reduce the exercise price of any Option to the then current Fair Market Value if the Fair Market Value of the Common Stock covered by such Option shall have declined since the date the Option was granted; and

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Optionees and any other holders of any Options.

(d) Grant Limits. The following limitations shall apply to grants of Options under the Plan:

(i) No employee shall be granted, in any fiscal year of the Company, Options under the Plan to purchase more than 150,000 Shares, provided that the Company may make an additional one-time grant of up to 250,000 Shares to newly-hired Employees.

(ii) The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 11.

(iii) If an Option is cancelled (other than in connection with a transaction described in Section 11), the cancelled Option shall be counted against the limits set forth in Section 4(d)(i). For this purpose, if the exercise price of an Option is reduced, the transaction will be treated as a cancellation of the Option and the grant of a new Option.

5. Eligibility.

(a) Nonstatutory Stock Options may be granted only to Employees, Directors, and Consultants. Incentive Stock Options may be granted only to Employees. An Employee, Director, or Consultant who has been granted an Option may, if he is otherwise eligible, be granted an additional Option or Options.

(b) Each Option shall be designated in the written option agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However,

notwithstanding such designations, to the extent that the aggregate Fair Market Value of the Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds \$100,000, such excess Options shall be treated as Nonstatutory Stock Options.

(c) For purposes of Section 5(b), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

(d) The Plan shall not confer upon any Optionee any right with respect to continuation of employment or consulting relationship with the Company, nor shall it interfere in any way with his right or the Company's right to terminate his employment or consulting relationship at any time, with or without cause.

6. Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board of Directors or its approval by the shareholders of the Company as described in Section 18 of the Plan. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 14 of the Plan.

7. Term of Option. The term of each Option shall be ten (10) years from the date of grant thereof or such shorter term as may be provided in the Option

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Agreement. However, in the case of an Incentive Stock Option granted to an Optionee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

8. Exercise Price and Consideration.

(a) The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be such price as is determined by the Board, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be determined by the Administrator. In the case of a Nonstatutory Stock Option intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a merger or other corporate transaction.

(b) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator and may consist entirely of (1) cash, (2) check, (3) promissory note, (4) other Shares which (x) either have been owned by the Optionee for more than six months on the date of surrender or were not acquired, directly or indirectly, from the Company, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised, (5) authorization from the Company to

retain from the total number of Shares as to which the Option is exercised that number of Shares having a Fair Market Value on the date of exercise equal to the exercise price for the total number of Shares as to which the Option is exercised, (6) delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds required to pay the exercise price, (7) delivery of an irrevocable subscription agreement for the Shares which irrevocably obligates the option holder to take and pay for the Shares not more than twelve months after the date of delivery of the subscription agreement, (8) any combination of the foregoing methods of payment, (9) or such other consideration and method of payment for the issuance of Shares to the extent permitted under Applicable Laws. In making its determination as to the type of consideration to accept, the Board shall consider if acceptance of such consideration may be reasonably expected to benefit the Company.

9. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder shall be exercisable at such times and under such conditions

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as determined by the Board, including performance criteria with respect to the Company and/or the Optionee, and as shall be permissible under the terms of the Plan.

An Option may not be exercised for a fraction of a Share.

An Option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and full payment for the Shares with respect to which the Option is exercised has been received by the Company. Full payment may, as authorized by the Board, consist of any consideration and method of payment allowable under Section 8(b) of the Plan. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such Shares, no right to vote or receive dividends or any

other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly upon exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 11 of the Plan.

Exercise of an Option in any manner shall result in a decrease in the number of Shares which thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Status as an Employee or Consultant. In the event of termination of an Optionee's Continuous Status as an Employee or Consultant (as the case may be), such Optionee may, but only within thirty (30) days (or such other period of time, not exceeding three (3) months in the case of an Incentive Stock Option or six (6) months in the case of a Nonstatutory Stock Option, as is determined by the Board) after the date of such termination (but in no event later than the date of expiration of the term of such Option as set forth in the Option Agreement), exercise his Option to the extent that he was entitled to exercise it at the date of such termination. To the extent that he was not entitled to exercise the Option at the date of such termination, or if he does not exercise such Option (which he was entitled to exercise) within the time specified herein, the Option shall terminate.

(c) Disability of Optionee. Notwithstanding the provisions of Section 9(b) above, in the event of termination of an Optionee's Continuous Status as an Employee or Consultant as a result of his total and permanent disability (as defined in Section 22(e) (3) of the Code), he may, but only within six (6) months (or such other period of time not exceeding twelve (12) months as is determined by the Board) from the date of such termination (but in no event later than the date of expiration of the term of such Option as set forth in the Option Agreement), exercise his Option to the extent he was entitled to exercise it at

the date of such termination. To the extent that he was not entitled to exercise the Option at the date of termination, or if he does not exercise such Option (which he was entitled to exercise) within the time specified herein, the Option shall terminate.

(d) Death of Optionee. In the event of the death of an Optionee:

(i) during the term of the Option who is at the time of his death an Employee or Consultant of the Company and who shall have been in Continuous Status as an Employee or Consultant since the date of grant of the Option, the Option may be exercised, at any time within twelve (12) months following the date of death (but in no event later than the date of expiration of the term of such Option as set forth in the Option Agreement), by the Optionee's estate or by a person who acquired the right to exercise the Option

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by bequest or inheritance, but only to the extent of the right to exercise that would have accrued had the Optionee continued living and remained in Continuous Status as an Employee or Consultant twelve (12) months after the date of death, subject to the limitation set forth in Section 5(b); or

(ii) within thirty (30) days (or such other period of time not exceeding three (3) months as is determined by the Board) after the termination of Continuous Status as an Employee or Consultant, the Option may be exercised, at any time within twelve (12) months following the date of death (but in no event later than the date of expiration of the term of such Option as set forth in the Option Agreement), by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that had accrued at the date of termination.

(e) Buyout Provisions. The Administrator may at any time offer to buy out for a payment in cash or Shares, an Option previously granted, based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

10. Non-Transferability of Options. Options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder. The designation of a beneficiary by an Optionee does not constitute a transfer. An Option may be exercised, during the lifetime of the Optionee, only by the Optionee or a transferee permitted by this Section 10.

11. Adjustments Upon Changes in Capitalization or Merger. Subject to any required action by the shareholders of the Company, the number of shares of Common Stock covered by each outstanding Option, and the number of shares of Common Stock which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per share of Common Stock covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Option.

In the event of the proposed dissolution or liquidation of the Company, the Board shall notify the Optionee at least fifteen (15) days prior to such proposed action. To the extent it has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action. In the event of a merger of the Company with or into another corporation, the Option shall be assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation. In the even the successor corporation does not agree to assume the option or the

substitute and equivalent option, the Board shall, in lieu of such assumption or substitution, provide for the Optionee to have the right to vest in and exercise the Option as to all of the Optioned Stock, including Shares as to which the Option would not otherwise be vested or exercisable. If the Board makes an Option fully vested and exercisable in lieu of assumption or substitution in the event of a merger, the Board shall notify the Optionee that the Option shall be fully vested and exercisable for a period of fifteen (15) days from the date of such notice, and the Option will terminate upon the expiration of such period.

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If, in such a merger, the Option is assumed or an equivalent option is substituted by such successor corporation or a parent or subsidiary of such successor corporation, and if during a one-year period after the effective date of such merger, the Optionee's Continuous Status as an Employee or Consultant is terminated for any reason other than the Optionee's voluntary termination of such relationship, then the Optionee shall have the right within thirty days thereafter to exercise the Option as to all of the Optioned Stock, including Shares as to which the Option would not be otherwise exercisable, effective as of the date of such termination.

12. Stock Withholding to Satisfy Withholding Tax Obligations. At the discretion of the Administrator, Optionees may satisfy withholding obligations as provided in this paragraph. When an Optionee incurs tax liability in connection with an Option, which tax liability is subject to tax withholding under applicable tax laws, and the Optionee is obligated to pay the Company an amount required to be withheld under applicable tax laws, the Optionee may satisfy the withholding tax obligation by electing to have the Company withhold from the Shares to be issued upon exercise of the Option, if any, that number of Shares having a Fair Market Value equal to the amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined.

13. Time of Granting Options. The date of grant of an Option shall, for all purposes, be the date on which the Board makes the determination granting such Option. Notice of the determination shall be given to each Employee or Consultant to whom an Option is so granted within a reasonable time after the date of such grant.

14. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or discontinue the Plan, but no amendment, alteration, suspension or discontinuation shall be made which would impair the rights of any Optionee under any grant theretofore made, without his or her consent. In addition, to the extent necessary and desirable to comply with Section 422 of the Code (or any other applicable law or regulation, including the requirements of the NASD or an established stock exchange), the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required.

(b) Effect of Amendment or Termination. Any such amendment or termination of the Plan shall not affect Options already granted and such Options shall remain in full force and effect as if this Plan had not been amended or terminated, unless mutually agreed otherwise between the Optionee and the Board, which agreement must be in writing and signed by the Optionee and the Company.

15. Conditions Upon Issuance of Shares. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned relevant provisions of law.

16. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

17. Option Agreement. Options shall be evidenced by written option agreements in such form as the Board shall approve.

18. Shareholder Approval. Continuance of the Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws.

TRIMBLE NAVIGATION

1988 EMPLOYEE STOCK PURCHASE PLAN
(as amended June 2, 1999)

The following constitute the provisions of the Employee Stock Purchase Plan of Trimble Navigation.

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Subsidiaries with an opportunity to purchase Common Stock of the Company through accumulated payroll deductions. It is the intention of the Company to have the Plan qualify as an "Employee Stock Purchase Plan" under Section 423 of the Internal Revenue Code of 1986, as amended. The provisions of the Plan shall, accordingly, be construed so as to extend and limit participation in a manner consistent with the requirements of that section of the Code.

2. Definitions.

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) "Common Stock" shall mean the Common Stock of the Company.

(d) "Company" shall mean Trimble Navigation.

(e) "Compensation" shall mean all regular straight time gross earnings, commissions, incentive bonuses, overtime, shift premium, lead pay and other similar compensation, but excluding automobile allowances, relocation and other non-cash compensation. Notwithstanding the foregoing, the Employee may elect to exclude bonuses from the calculation of compensation.

(f) "Continuous Status as an Employee" shall mean the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of a leave of absence agreed to in writing by the Company, provided that such leave is for a period of not more than 90 days or reemployment upon the expiration of such leave is guaranteed by contract or statute.

(g) "Designated Subsidiaries" shall mean the Subsidiaries which have been designated by the Board from time to time in its sole discretion as eligible to participate in the Plan.

(h) "Employee" shall mean any person, including an officer, whose customary employment with the Company is at least twenty (20) hours per week by the Company or one of its Designated Subsidiaries and more than five (5) months in any calendar year.

(i) "Enrollment Date" shall mean the first day of each Offering Period.

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(j) "Exercise Date" shall mean the last day of each Offering Period.

(k) "Offering Period" shall mean, except with respect to the first Offering Period as described herein, a period of six (6) months during which an option granted pursuant to the Plan may be exercised. The first Offering Period shall commence August 15, 1988, and end December 31, 1988.

(l) "Plan" shall mean this Employee Stock Purchase Plan.

(m) "Subsidiary" shall mean a corporation, domestic or foreign, of which not less than 50% of the voting shares are held by the Company or a Subsidiary, whether or not such corporation now exists or is hereafter organized or acquired by the Company or a Subsidiary.

3. Eligibility.

(a) Any Employee as defined in paragraph 2 who has been continuously employed by the Company for at least two (2) consecutive months and who shall be employed by the Company on a given Enrollment Date shall be eligible to participate in the Plan. However, notwithstanding the foregoing, for purposes of the first Offering Period only, any Employee defined in paragraph 2 who was employed by the Company as of August 9, 1988 shall be eligible to participate in the Plan.

(b) Any provisions of the Plan to the contrary notwithstanding, no Employee shall be granted an option under the Plan (i) if, immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 425(d) of the Code) would own stock and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any subsidiary of the Company, or (ii) which permits his or her rights to purchase stock under all employee stock purchase plans of the Company and its subsidiaries to accrue at a rate which exceeds Twenty-Five Thousand Dollars (\$25,000) worth of stock (determined at the fair market value of the shares at the time such option is granted) for each calendar year in which such option is outstanding at any time.

4. Offering Periods. The Plan shall be implemented by consecutive Offering Periods with a new Offering Period commencing on or about January 1 and July 1 of each year; provided, however, that the first Offering Period shall commence on or about August 15, 1988. The Plan shall continue thereafter until terminated in accordance with paragraph 19 hereof. Subject to the shareholder approval requirements of paragraph 19, the Board of Directors of the Company shall have the power to change the duration of Offering Periods with respect to future offerings without shareholder approval if such change is announced at least fifteen (15) days prior to the scheduled beginning of the first Offering Period to be affected.

5. Participation.

(a) An eligible Employee may become a participant in the Plan by completing a subscription agreement authorizing payroll deductions in the form of Exhibit A to this Plan and filing it with the Company's payroll office at least five (5) business days prior to the applicable Enrollment Date, unless a later time for filing the subscription agreement is set by the Board for all eligible Employees with respect to a given Offering Period.

(b) Payroll deductions for a participant shall commence on the first payroll following the Enrollment Date and shall end on the last payroll in the Offering Period to which such authorization is applicable, unless sooner terminated by the participant as provided in paragraph 10.

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6. Payroll Deductions.

(a) At the time a participant files his or her subscription agreement, he or she shall elect to have payroll deductions made on each payday during the Offering Period in an amount not exceeding ten percent (10%) of the Compensation which he receives on each payday during the Offering Period, and the aggregate of such payroll deductions during the Offering Period shall not exceed ten percent (10%) of the participant's aggregate Compensation during said Offering Period.

(b) All payroll deductions made for a participant shall be credited to his or her account under the Plan. A participant may not make any additional payments into such account.

(c) A participant may discontinue his or her participation in the Plan as provided in paragraph 10, or may decrease, but not increase, the rate of his or her payroll deductions during the Offering Period (within the limitations of Section 6(a)) by completing or filing with the Company a new subscription agreement authorizing a change in payroll deduction rate. The change in rate shall be effective with the first full payroll period following five (5) business days after the Company's receipt of the new subscription agreement. A participant's subscription agreement shall remain in effect for successive Offering Periods unless revised as provided herein or terminated as provided in paragraph 10.

(d) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and paragraph 3(b) herein, a participant's payroll deductions may be decreased to 0% at such time during any Offering Period which is scheduled to end during the current calendar year (the "Current Offering Period") that the aggregate of all payroll deductions which were previously used to purchase stock under the Plan in a prior Offering Period which ended during that calendar year plus all payroll deductions accumulated with respect to the Current Offering Period equal \$21,250. Payroll deductions shall recommence at the rate provided in such participant's subscription agreement at the beginning of the first Offering Period which is scheduled to end in the following calendar year, unless terminated by the participant as provided in paragraph 10.

7. Grant of Option.

(a) On the Enrollment Date of each Offering Period, each eligible Employee participating in such Offering Period shall be granted an option to purchase on each Exercise Date during such Offering Period up to a number of shares of the Company's Common Stock determined by dividing such Employee's payroll deductions accumulated prior to such Exercise Date and retained in the Participant's account as of the Exercise Date by the lower of (i) eighty-five percent (85%) of the fair market value of a share of the Company's Common Stock on the Enrollment Date or (ii) eighty-five percent (85%) of the fair market value of a share of the Company's Common Stock on the Exercise Date; provided that in no event shall an Employee be permitted to purchase during each Offering Period more than a number of shares determined by dividing \$12,500 by the fair market value of a share of the Company's Common Stock on the Enrollment Date, and provided further that such purchase shall be subject to the limitations set forth in Section 3(b) and 12 hereof. Exercise of the option shall occur as provided in Section 8, unless the participant has withdrawn pursuant to Section 10, and shall expire on the last day of the Offering Period. Fair market value of a share of the Company's Common Stock shall be determined as provided in Section 7(b) herein.

(b) The option price per share of the shares offered in a given Offering Period shall be the lower of: (i) 85% of the fair market value of a share of the Common Stock of the Company on the Enrollment Date; or (ii) 85% of the fair market value of a share of the Common Stock of the Company on the Exercise Date. The fair market value of the Company's Common Stock on a given

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date shall be determined by the Board in its discretion; provided, however, that where there is a public market for the Common Stock, the fair market value per share shall be the closing price of the Common Stock for such date, as reported by the NASDAQ National Market System, or, in the event the Common Stock is listed on a stock exchange, the fair market value per share shall be the closing price on such exchange on such date, as reported in the Wall Street Journal.

8. Exercise of Option. Unless a participant withdraws from the Plan as provided in paragraph 10 below, his or her option for the purchase of shares will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to option shall be purchased for such participant at the applicable option price with the accumulated payroll deductions in his or her account. No fractional shares will be purchased and any payroll deductions

accumulated in a participant's account which are not used to purchase shares shall remain in the participant's account for the subsequent Offering Period, subject to an earlier withdrawal as provided in paragraph 10. During a participant's lifetime, a participant's option to purchase shares hereunder is exercisable only by him or her.

9. Delivery. Unless a participant makes an election to delay the issuance of Certificate representing purchased shares, as promptly as practicable after each Exercise Date on which a purchase of shares occurs, the Company shall arrange the delivery to each participant, as appropriate, of a certificate representing the shares purchased upon exercise of his or her option. A participant may make an election to delay the issuance of stock certificates representing shares purchased under the Plan by giving written notice to the Company the form of Exhibit D to this Plan. Any such election shall remain in effect until it is revoked by the participant or, if earlier, upon the termination of the participant's Continuous Status as an Employee. The

Company may limit the time or times during which participants may revoke such elections, except that a participant shall automatically receive a certificate as soon as practicable following termination of his or her Continuous Status as an Employee and that participants shall be given the opportunity to revoke such elections at least once each calendar year.

10. Withdrawal; Termination of Employment.

(a) A participant may withdraw all but not less than all the payroll deductions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by giving written notice to the Company in the form of Exhibit B to this Plan. All of the participant's payroll deductions credited to his or her account will be paid to such participant promptly after receipt of notice of withdrawal and such participant's option for the Offering Period will be automatically terminated, and no further payroll deductions for the purchase of shares will be made during the Offering Period. If a participant withdraws from an Offering Period, payroll deductions will not resume at the beginning of the succeeding Offering Period unless the participant delivers to the Company a new subscription agreement.

(b) Upon termination of the participant's Continuous Status as an Employee prior to the Exercise Date for any reason, including retirement or death, the payroll deductions credited to such participant's account during the Offering Period but not yet used to exercise the option will be returned to such participant or, in the case of his or her death, to the person or persons entitled thereto under paragraph 14, and such participant's option will be automatically terminated.

(c) In the event an Employee fails to remain in Continuous Status as an Employee of the Company for at least twenty (20) hours per week during an Offering Period in which the Employee is a participant, he or she will be deemed to have elected to withdraw from the Plan and the payroll deductions credited to his or her account will be returned to such participant and such participant's option terminated.

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(d) A participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan which may hereafter be adopted by the Company or in succeeding Offering Periods which commence after the termination of the Offering Period from which the participant withdraws.

11. Interest. No interest shall accrue on the payroll deductions of a participant in the Plan.

12. Stock.

(a) The maximum number of shares of the Company's Common Stock which shall be made available for sale under the Plan shall be 2,950,000 shares, subject to adjustment upon changes in capitalization of the Company as provided in paragraph 18. If on a given Exercise Date the number of shares with respect to which options are to be exercised exceeds the number of shares then available under the Plan, the Company shall make a pro rata allocation of the shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable.

(b) The participant will have no interest or voting right in shares covered by his option until such option has been exercised.

(c) Shares to be delivered to a participant under the Plan will be registered in the name of the participant or in the name of the participant and his or her spouse.

13. Administration. The Plan shall be administered by the Board of the Company or a committee of members of the Board appointed by the Board. The administration, interpretation or application of the Plan by the Board or its committee shall be final, conclusive and binding upon all participants. Members of the Board who are eligible Employees are permitted to participate in the Plan.

14. Designation of Beneficiary.

(a) A participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the participant's account under the Plan in the event of such participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such participant of such shares and cash. In addition, a participant may file a written designation of a beneficiary who is to receive any cash from the participant's account under the Plan in the event of such participant's death prior to exercise of the option.

(b) Such designation of beneficiary may be changed by the participant at any time by written notice. In the event of the death of a participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such participant's death, the Company shall deliver such shares and/or cash to the executor or administrator of the estate of the participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

15. Transferability. Neither payroll deductions credited to a participant's account nor any rights with regard to the exercise of an option or to receive shares under the Plan may be assigned, transferred, pledged or

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otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in paragraph 14 hereof) by the participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with paragraph 10.

16. Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

17. Reports. Individual accounts will be maintained for each participant in the Plan. Statements of account will be given to participating Employees semi-annually promptly following the Exercise Date, which statements will set forth the amounts of payroll deductions, the per share purchase price, the number of shares purchased and the remaining cash balance, if any.

18. Adjustments Upon Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of shares of Common Stock covered by each option under the Plan which has not yet been exercised and the number of shares of Common Stock which have been authorized for issuance under the Plan but have not yet been placed under option (collectively, the "Reserves"), as well as the price per share of Common Stock covered by each

option under the Plan which has not yet been exercised, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration". Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an option.

In the event of the proposed dissolution or liquidation of the Company, the Offering Period will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board. In the event of a proposed sale of all or substantially all of the assets of the Company, or the merger of the Company with or into another corporation, any Purchase Periods then in progress shall be shortened by setting a new Exercise Date (the "New Exercise Date") and any Offering Periods then in progress shall end on the New Exercise Date. The New Exercise Date shall be before the date of the Company's proposed sale or merger. The Board shall notify each participant in writing, at least ten (10) business days prior to the New Exercise Date, that the Exercise

Date for the participant's option has been changed to the New Exercise Date and that the participant's option shall be exercised automatically on the New Exercise Date, unless prior to such date the participant has withdrawn from the Offering Period as provided in Section 10 hereof.

19. Amendment or Termination. The Board of Directors of the Company may at any time and for any reason terminate or amend the Plan. Except as provided in paragraph 18, no such termination can affect options previously granted, provided that an Offering Period may be terminated by the Board of Directors on any Exercise Date if the Board determines that the termination of the Plan is in the best interests of the Company and its shareholders. Except as provided in paragraph 18, no amendment may make any change in any option theretofore granted which adversely affects the rights of any participant. In addition, to the extent necessary to comply with Section 423 of the Code (or any successor rule or provision or any other applicable law or regulation), the Company shall obtain shareholder approval in such a manner and to such a degree as so required.

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20. Notices. All notices or other communications by a participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. Shareholder Approval. Continuance of the Plan shall be subject to approval by the shareholders of the Company within twelve months before or after the date the Plan is adopted. Such shareholder approval shall be obtained in the manner and degree required under the applicable state and federal tax and securities laws.

22. Conditions Upon Issuance of Shares. Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto shall comply with all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the

opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board of Directors or its approval by the shareholders of the Company as described in paragraph 21. It shall continue in effect for a term of twenty (20) years unless sooner terminated under paragraph 19.

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EXHIBIT A

TRIMBLE NAVIGATION

EMPLOYEE STOCK PURCHASE PLAN
SUBSCRIPTION AGREEMENT

____ Original Application
____ Change in Payroll Deduction Rate
____ Change of Beneficiary(ies)

Enrollment Date: _____

1. _____ hereby elects to participate in the Trimble Navigation Employee Stock Purchase Plan (the "Stock Purchase Plan") and subscribes to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Stock Purchase Plan.
2. I hereby authorize payroll deductions from each paycheck in the amount of ____% of my Compensation on each payday (not to exceed 10%) during the Offering Period in accordance with the Stock Purchase Plan.
 _____ Include bonuses as part of Compensation subject to payroll deduction.
 _____ Exclude bonuses from Compensation subject to payroll deduction.
3. I understand that said payroll deductions shall be accumulated for the purchase of shares of Common Stock at the applicable purchase price determined in accordance with the Stock Purchase Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option.
4. I have received a copy of the complete "Trimble Navigation Employee Stock Purchase Plan." I understand that my participation in the Stock Purchase Plan is in all respects subject to the terms of the Plan. I understand that the grant of the option by the Company under this Subscription Agreement is subject to obtaining shareholder approval of the Stock Purchase Plan.
5. Shares purchased for me under the Stock Purchase Plan should be issued in the name(s) of: _____
6. I understand that if I dispose of any shares received by me pursuant to the Plan within 2 years after the Enrollment Date (the first day of the Offering Period during which I purchased such shares), I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were delivered to me over the price which I paid for the shares. I hereby agree to notify the Company in writing within 30 days after the date of any such disposition. However, if I dispose of such shares at any time after the expiration of the 2-year holding period, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (1) the excess of the fair market value of the shares at the time of such disposition over the purchase price which I paid for the shares under the option, or (2) the excess of the fair market value of the shares over the option

price, measured as if the option had been exercised on the Enrollment Date. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. I hereby agree to be bound by the terms of the Stock Purchase Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Stock Purchase Plan.
8. In the event of my death, I hereby designate the following as my beneficiary(ies) to receive all payments and shares due me under the Stock Purchase Plan:

NAME: (Please print) -----
 (First) (Middle) (Last)

 Relationship

 (Address)

NAME: (Please print) (First) (Middle) (Last)

Relationship

(Address)

Employee's Social Security Number:

Employee's Address:

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT SHALL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated: _____

Signature of Employee

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EXHIBIT B

TRIMBLE NAVIGATION

EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF WITHDRAWAL

The undersigned participant in the Offering Period of the Trimble Navigation Employee Stock Purchase Plan which began on _____, 19____ (the "Enrollment Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as possible all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be automatically terminated. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned shall be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant

Signature

Date: _____

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EXHIBIT C

TRIMBLE NAVIGATION

EMPLOYEE STOCK PURCHASE PLAN

NOTICE TO RESUME PAYROLL DEDUCTIONS

The undersigned participant in the Offering Period of the Trimble Navigation Employee Stock Purchase Plan which began on _____, 19__ hereby notifies the Company to resume payroll deductions for his or her account at the beginning of the next Exercise Period within such Offering Period in accordance with the terms of the Subscription Agreement executed by the undersigned at the beginning of the Offering Period. The undersigned understands that he or she may change the payroll deduction rate or the beneficiaries named in such Subscription Agreement by submitting a revised Subscription Agreement.

Name and Address of Participant

Signature

Date: _____

EXHIBIT D

TRIMBLE NAVIGATION

EMPLOYEE STOCK PURCHASE PLAN

ELECTION/REVOCAION OF ELECTION
DELAY ISSUANCE OF CERTIFICATE

The undersigned participant in the 1988 Trimble Navigation Employee Stock Purchase Plan (the "Stock Purchase Plan"), hereby elects to allow Trimble Navigation (the "Company") or its agent to delay issuance of a certificate representing shares purchased under the Plan in accordance with the provisions of the Stock Purchase Plan. This election shall continue in effect until the termination of the undersigned's Continuous Status as an Employee or until revoked pursuant to such Stock Purchase Plan. This election shall not otherwise affect the participant's rights as a shareholder of the Company.

-OR-

_____ hereby revokes his or her prior election to allow the Company to delay issuance of a certificate pursuant to the terms of the Stock Purchase Plan. The Company shall deliver to participant as promptly as practicable a certificate representing all shares purchased thereby.

Name and Address of Participant

Signature

Date: _____

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5

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
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