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

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended October 1, 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	94-2802192
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification No.)
645 North Mary Avenue, Sunnyvale, California	94088
(Address of Principal Executive Offices)	(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 November 5, 1999, there were 22,556,500 shares of Common Stock (no par value) outstanding

TRIMBLE NAVIGATION LIMITED

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

TRIMBLE NAVIGATION LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	October 1, 1999 (Unaudited)	January 1, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 57,237	$ 40,865
Short term investments	39,654	16,269
Accounts and other receivable, net	41,818	33,431
Inventories	18,257	37,166
Other current assets	3,870	4,173
Total current assets	160,836	131,904
Net property and equipment	12,453	15,104
Intangible assets	1,137	1,320
Deferred income taxes	399	405
Other assets	7,302	7,546
Total assets	$ 182,127	$ 156,279
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 1,388	$ 1,388
Accounts payable	13,945	13,000
Accrued compensation and benefits	9,174	4,696
Customer advances	-	808
Accrued liabilities	16,417	15,474
Deferred Gain on sale of assets	1,953	-
Accrued liabilities related to disposal of General Aviation	2,819	6,743
Accrued warranty expense	6,197	5,681
Income taxes payable	3,984	2,158
Total current liabilities	55,877	49,948
Noncurrent portion of long-term debt and other liabilities	33,992	31,640
Total liabilities	89,869	81,588
Shareholders' equity:		
Common stock	124,249	122,201
Accumulated deficit	(30,993)	(46,718)
Unrealized gain (loss) on short term investments	(64)	19
Foreign currency translation adjustment	(934)	(811)
Total shareholders' equity	92,258	74,691
Total liabilities and shareholders' equity	$ 182,127	$ 156,279

See accompanying notes to condensed consolidated financial statements.

TRIMBLE NAVIGATION LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 1, 1999	October 2, 1998 *	October 1, 1999	October 2, 1998 *
(In thousands, except per share data)				
Total revenue	$ 69,636	$ 59,973	$ 209,245	$ 207,670
Operating expenses:				
Cost of sales	32,657	34,445	99,088	107,557
Research and development	9,724	12,363	27,675	34,716
Sales and marketing	13,705	15,952	40,981	47,540
General and administrative	7,738	8,501	26,391	23,168
Restructuring charges	-	2,453	-	2,453
Total operating expenses	63,824	73,714	194,135	215,434
Operating income (loss)	5,812	(13,741)	15,110	(7,764)
Nonoperating income (expense):				
Interest income	1,108	839	2,493	2,853
Interest and other expenses	(922)	(2,362)	(2,574)	(4,039)
Foreign exchange gain, net	31	78	24	358
	217	(1,445)	(57)	(828)
Income (loss) before income taxes from continuing operations	6,029	(15,186)	15,053	(8,592)
Income tax provision	905	350	2,259	1,050
Net income (loss) from continuing operations	$ 5,124	$ (15,536)	$ 12,794	$ (9,642)
Discontinued operations:				
Loss from operations (net of tax)	$ -	$ (2,036)	$ -	$ (5,760)
Estimated income (loss) on disposal	2,931	(19,862)	2,931	(19,862)
Loss on discontinued operations	2,931	(21,898)	2,931	(25,622)
Net income (loss)	$ 8,055	$ (37,434)	$ 15,725	$ (35,264)
Basic income (loss) per share from continuing operations	$ 0.23	$ (0.70)	0.57	(0.43)
Basic income (loss) per share from discontinued operations	0.13	(0.98)	0.13	(1.13)
Basic net income (loss) per share	$ 0.36	$ (1.68)	$ 0.70	$ (1.56)
Shares used in calculating basic income (loss) per share	22,519	22,305	22,367	22,593
Diluted income (loss) per share from continuing operations	$ 0.22	$ (0.70)	0.57	(0.43)
Diluted income (loss) per share from discontinued operations	0.13	(0.98)	0.13	(1.13)
Diluted net income (loss) per share	$ 0.35	$ (1.68)	$ 0.70	$ (1.56)
Shares used in calculating diluted income (loss) per share	22,860	22,305	22,573	22,593

* Certain amounts in these periods have been restated for discontinued operations (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 4 for further explanation.

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended	
	October 1, 1999	October 2, 1998 *
(In thousands)		

Net cash provided by operating activities of continuing operations	$ 13,848	$ 8,158
Net cash provided (used) by operating activities / disposal of discontinued operations	2,931	(5,760)
Net cash provided by operating activities	$ 16,779	$ 2,398
Cash flow from investing activities:		
Purchase of short term investments	(40,735)	(69,163)
Maturities of short term investments	17,350	104,712
Sales of short term investments	-	8,473
Sales (purchases) of equity investments	752	(1,051)
Acquisition of property and equipment	(4,887)	(6,711)
Proceeds from sale of assets	26,863	-
Capitalized patent expenditures	(717)	(802)
Net cash provided (used) in investing activities of continuing operations	(1,374)	35,458
Net cash used in investing activities of discontinued operations	-	(952)
Net cash provided (used) in investing activities	(1,374)	34,506
Cash flow from financing activities:		
Issuance of common stock	2,048	3,415
Repurchase of common stock	-	(15,168)
(Payment)/collections of notes receivable	221	(14)
(Payment)/proceeds from long-term debt and revolving credit facilities	(1,302)	2,554
Net cash provided (used) by financing activities of continuing operations	967	(9,213)
Net cash provided (used) by financing activities	967	(9,213)
Net increase in cash and cash equivalents	16,372	27,691
Cash and cash equivalents -- beginning of period	40,865	19,951
Cash and cash equivalents -- end of period	$ 57,237	$ 47,642
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 824	$ 790
Income taxes, net of refunds	$ 200	$ 1,410

* Certain amounts in this period have been restated for discontinued operations (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 4 for further explanation.

See accompanying notes to condensed consolidated financial statements.

TRIMBLE NAVIGATION LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - Basis of Presentation:

The condensed consolidated financial statements for the three and nine month periods ended October 1, 1999, and October 2, 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 nine months ended October 2, 1998 have been restated to reflect a subsequently retained portion of discontinued operations. See Note 4.

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 nine month periods ended October 1, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999.

NOTE 2 - Disposition of Assets:

On August 10, 1999, Trimble Navigation Limited ("Trimble" or the "Company") signed an Asset Purchase Agreement with Solectron Corporation and Solectron Federal Systems, Inc. (collectively, "Solectron"). The closing of the transaction occurred on August 13, 1999. At the closing of the Asset Purchase Agreement, the Company transferred to Solectron 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 provided for Solectron's subsequent purchase, on August 30, 1999, of Trimble's entire component inventory, on hand as of August 13, 1999.

The final purchase price for these assets was $26.9 million. As part of this agreement the Company will incur some employee and facility related liabilities, which have been accrued for and offset against the gain. The net gain on the transaction to the Company of $5.9 million has been deferred and is being recognized over the three-year exclusive life of the Supply Agreement described below.

Concurrently with the closing of the Asset Purchase Agreement, the Company and Solectron also entered into a Supply Agreement. The Supply Agreement provides for the exclusive manufacture by Solectron of almost all Trimble products for a period of three years. Solectron 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 Solectron as part of this transaction. Solectron offered employment to approximately 230 Trimble manufacturing, engineering and related support personnel, and Trimble understands that substantially all such employees accepted such employment with Solectron.

NOTE 3 - Inventories:

Inventories from continuing operations consist of the following:

(In thousands)	October 1, 1999	January 1, 1999
Raw materials	$ 1,382	$ 22,480
Work-in-process	2,262	4,033
Finished goods	14,613	10,653
	$ 18,257	$ 37,166

NOTE 4 - 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 the first half of fiscal 2000. 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 October 1, 1999, in connection with the discontinued operations, the Company had incurred cumulative net expenses of approximately $5.5 million consisting of $6.0 million for operating losses for the discontinued operation through the estimated date of disposal, including severance costs and net of receipts of $543,000 related to the sale of particular inventory items and fixed assets. The Company has revised its accrual for the remaining costs now expected to be incurred based on current status of the related liabilities. This resulted in a reversal of approximately $2.9 million of prior amounts accrued related to the discontinued operations. The Company has a remaining provision of $2.8 million which includes $1.5 million for the estimated operating losses through the estimated date of disposal including remaining severance costs and $1.3 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 operation. 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 nine months ended October 2, 1998 of the discontinued operation are summarized as follows:

	Three Months Ended October 2, 1998	Nine Months Ended October 2, 1998
(In thousands)		
Net revenues	$ 2,046	$ 6,807
Loss before tax provision	(2,036)	(5,760)
Income tax provision	-	-
Net loss	$ (2,036)	$ (5,760)
Basic and diluted net loss per share	$ (0.09)	$ (0.25)

NOTE 5 - 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.

The activity in fiscal 1999 and 1998 related to the restructuring and the amounts remaining at October 1, 1999 on the balance sheet are as follows (in thousands):

	Total charged to expense in fiscal 1998	Amounts paid/ written off	Remaining in accrued liabilites as of October 1, 1999
Employee termination benefits	$ 2,864	$ (1,973)	$ 891
Facility space reductions	1,061	(897)	164

ERP system abandonment	6,360	(6,081)	279
Subtotal	$ 10,285	$ (8,951)	$ 1,334

NOTE 6 - 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.

	Three Months Ended October 1, 1999 (in thousands)			Nine Months Ended October 1, 1999 (in thousands)		
	PPG	MTT	Total	PPG	MTT	Total
External net revenue	$ 41,478	$ 28,158	$ 69,636	$ 125,631	$ 83,614	$ 209,245
Operating profit before corporate allocations	14,280	5,159	19,439	42,175	12,831	55,006
Corporate allocations (1)	(6,120)	(3,042)	(9,162)	(18,471)	(8,405)	(26,876)
Operating profit from continuing operations	$ 8,160	$ 2,117	$ 10,277	$ 23,704	$ 4,426	$ 28,130
Assets:						
Accounts recievable (2)				$ 31,217	$ 21,713	$ 52,930
Inventory				7,961	9,491	17,452

	Three Months Ended October 2, 1998 (in thousands)			Nine Months Ended October 2, 1998 (in thousands)		
	PPG	MTT	Total	PPG	MTT	Total
External net revenue	$ 37,581	$ 22,392	$ 59,973	$ 122,381	$ 85,289	$ 207,670
Operating profit/(loss) before corporate allocations	2,613	(2,773)	(160)	16,728	3,093	19,821
Corporate allocations (1)	(3,343)	(1,922)	(5,265)	(11,466)	(5,913)	(17,379)
Operating profit/(loss) from continuing operations	$ (730)	$ (4,695)	$ (5,425)	$ 5,262	$ (2,820)	$ 2,442

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

(1) For the three and nine months ended October 1, 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 nine months ended October 2, 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.

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

Revenues:	Three Months Ended October 1, 1999	Three Months Ended October 2, 1998	Nine Months Ended October 1, 1999	Nine Months Ended October 2, 1998
Total for reportable markets	$ 69,636	$ 59,973	$ 209,245	$ 207,670
Operating profit/(loss) from continuing operations:				
Total for reportable markets	$ 10,277	$ (5,425)	$ 28,130	$ 2,442
Unallocated corporate expenses	(4,465)	(8,316)	(13,020)	(10,206)
Income before income taxes from continuing operations	$ 5,812	$ (13,741)	$ 15,110	$ (7,764)

Assets:	Nine Months Ended October 1, 1999	Twelve Months Ended January 1, 1999
Accounts receivable total for reportable markets	$ 52,930	$ 47,034
Unallocated (1)	(11,112)	(13,603)
Total	$ 41,818	$ 33,431
Inventory total for reportable markets	$ 17,452	$ 26,293
Common inventory (2)	805	10,873
Net inventory	$ 18,257	$ 37,166

(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.

NOTE 7 - Comprehensive Income (Loss):

The components of comprehensive income, net of related tax for the three and nine months ended October 1, 1999 and October 2, 1998 are as follows:

(In thousands)	Three Months Ended October 1, 1999	Three Months Ended October 2, 1998	Nine Months Ended October 1, 1999	Nine Months Ended October 2, 1998
Net income (loss)	$ 8,055	$ (37,434)	$ 15,725	$ (35,264)
Unrealized gains (losses) on securities	(31)	56	(83)	44
Foreign currency translation adjustments	80	(13)	(123)	(475)
Comprehensive income (loss)	$ 8,104	$ (37,391)	$ 15,519	$ (35,695)

The components of accumulated other comprehensive loss, net of related taxes at October 1, 1999 and January 1, 1999 are as follows:

(In thousands)	October 1, 1999	January 1, 1999
Unrealized gains (loss) on securities	$ (64)	$ 19
Foreign currency translation adjustments	(934)	(811)
Accumulated comprehensive loss	$ (998)	$ (792)

NOTE 8 - 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.

NOTE 9 - Earnings Per Share:

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

	Three Months Ended		Nine Months Ended	
	October 1, 1999	October 2, 1998	October 1, 1999	October 2, 1998
(In thousands, except per share amounts)				
Numerator:				
Income (loss) from continuing operations available to common shareholders used in basic and diluted income (loss) per share	$ 5,124	$ (15,536)	$ 12,794	$ (9,642)
Income (loss) from discontinued operations available to common shareholders used in basic and diluted income (loss) per share	$ 2,931	$ (21,898)	$ 2,931	$(25,622)
Income (loss) from operations available to common shareholders used in basic and diluted income (loss) per share	$ 8,055	$ (37,434)	$ 15,725	$(35,264)
Denominator:				
Weighted-average number of common shares used in calculating basic income (loss) per share	22,519	22,305	22,367	22,593
Effect of dilutive securities:				
Common stock options	328	-	206	-
Common stock warrants	13	-	-	-
Weighted-average number of common shares and dilutive potential common shares used in calculating diluted income (loss) per share	22,860	22,305	22,573	22,593
Basic income (loss) per share from continuing operations	$ 0.23	$ (0.70)	$ 0.57	$ (0.43)
Basic income (loss) per share from discontinued operations	$ 0.13	$ (0.98)	$ 0.13	$ (1.13)
Basic income (loss) per share	$ 0.36	$ (1.68)	$ 0.70	$ (1.56)
Diluted income (loss) per share from continuing operations	$ 0.22	$ (0.70)	$ 0.57	$ (0.43)
Diluted income (loss) per share from discontinued operations	$ 0.13	$ (0.98)	$ 0.13	$ (1.13)
Diluted income (loss) per share	$ 0.35	$ (1.68)	$ 0.70	$ (1.56)

NOTE 10 - 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 recissory 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 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 negotiated a definitive stipulation of settlement which was formally approved by the court on September 23, 1999. The final court-approved settlement was funded by insurance proceeds and payment by the Company of $1.8 million. The entire amount of the Company's obligation has been previously reserved and the final settlement did not adversely effect 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 and Garmin International Inc. and both have 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.

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results could differ materially from those indicated in the forward-looking statements due to a number of factors including, but not limited to, as a result of the risk factors set forth below in this report as well as the Company's Annual Report on Form 10-K and other reports and documents that the Company files from time to time with the Securities and Exchange Commission. 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 nine months ended October 1, 1999 were $69,636,000 and $209,245,000 respectively, compared with $59,973,000 and $207,670,000 in the corresponding 1998 periods. The table below breaks out the Company's revenues by segment:

	Three Months Ended			Nine Months Ended		
	October 1, 1999	October 2, 1998	Increase/ (Decrease)	October 1, 1999	October 2, 1998	Increase/ (Decrease)
(In thousands)						
Precision Positioning Group	$ 41,478	$37,581	10%	$ 125,631	$ 122,381	3%
Mobile and Timing Technologies	28,158	22,392	26%	83,614	85,289	(2%)
Total	$ 69,636	$59,973	16%	$ 209,245	$ 207,670	1%

Precision Positioning Group

Precision Positioning Group revenues increased for both the three and nine month periods ended October 1, 1999 as compared to the corresponding periods for 1998. The increase for the three month period was primarily due to significant growth in the Land Survey market from continued strong demand of the Real-time Kinematic (RTK) total stations; as well as strong shipments to the Company's Japanese OEM partner. These increases were partially offset by anticipated declines in machine guidance products due to the down turn in the mining and agricultural markets.

The increase for the nine month period was primarily due to strong demand in the Mapping and GIS market, as well as, significant growth in the Land Survey market from continued strong demand of the Real-time Kinematic (RTK) total stations.

Mobile and Timing Technologies

Mobile and Timing Technologies revenues increased for the three month period ended October 1, 1999, as compared with the corresponding period in 1998. The growth was primarily concentrated in in-vehicle navigation products sold to the automotive market, embedded products sold into a wide variety of applications, timing products, and sales to the military. These increases were partially offset by declines in the commercial marine and air transport markets. The Company made the decision to exit the commercial marine market in the fourth quarter of 1998 and the remaining products in this market were sold in the second quarter of 1999.

Mobile and Timing Technologies revenues decreased slightly for the nine month period ended October 1, 1999, as compared with the corresponding period in 1998 due primarily to lower military shipments, lower Commercial Avionics sales,

and the Company's decision to exit the commercial marine market. 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 50% and 45% of the Company's revenues in the first nine months of fiscal 1999 and 1998, respectively. During the first nine months of 1999, the Company experienced strong demand in Europe, Asia and Latin 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% for both the three and nine month periods ending October 1, 1999 as compared with 43% and 48% in the corresponding 1998 periods. The increases in gross margin percentages primarily reflect improved manufacturing cost controls 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 can be no assurance that the Company's current margins will be sustained.

* The Company also expects that a higher percentage of its business in the future may 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.

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			Nine Months Ended		
	October 1, 1999	October 2, 1998	Increase/ (Decrease)	October 1, 1999	October 2, 1998	Increase/ (Decrease)
(In Thousands)						
Research and development	$ 9,724	$ 12,363	(21)%	$ 27,675	$ 34,716	(20)%
Sales and marketing	13,705	15,952	(14)%	40,981	47,540	(14)%
General and administrative	7,738	8,501	(9)%	26,391	23,168	14 %
Restructuring charges	-	2,453	(100)%	-	2,453	(100)%
Total	$ 31,167	$ 39,269	(21)%	$ 95,047	$ 107,877	(12)%

Research and Development

* Research and development expenses decreased in the three and nine month periods ended October 1, 1999, as compared with the corresponding periods in fiscal 1998. The lower research and development expenses for the three and nine

month periods 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 the Company's expenses related to personnel, consultants, outside engineering, travel, electronic parts and other supplies as part of the Company's restructuring plan which was implemented in the last half of fiscal 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 nine month periods ended October 1, 1999, as compared with the corresponding periods in fiscal 1998 is due primarily to decreases in the Company's expenses related to personnel, consultants, travel, advertising, trade shows, expensed demo equipment, and other office supplies as part of the Company's restructuring plan which was implemented in the last half of fiscal 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, and marketing 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.

General and Administrative

The decrease in general and administrative expenses for the three months ended October 1, 1999, as compared with the corresponding period for fiscal 1998, is primarily due to decreases in outside services related to certain litigation matters and travel expenses which have decreased as part the Company's restructuring plan, which was implemented in the last half of fiscal 1998. Also, there was decrease in cash contributions and bank fee expenses in the third quarter of 1999 as compared to the third quarter of 1998.

The increase in general and administrative expenses for the nine months ended October 1, 1999, as compared with the corresponding period for fiscal 1998, is primarily due to an increase in the allowance for doubtful accounts related to customers in South America for the first nine months of 1999. In addition, the Company had an increase in expenditures associated with certain litigation matters during the first nine months of 1999.

Restructuring Charges

During the quarter ended October 2, 1998, the Company recorded a restructuring charge of $2,453,000. Components of this restructuring charge included employee severance costs, including costs for the Company's former CEO and certain other former senior employees of approximately $1,454,000, and write-downs of idle assets of approximately $999,000.

Income Taxes

The Company's effective income tax rate from continuing operations for the three months ended October 1, 1999 and the nine months ended October 1, 1999 is 15%. This rate is 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. The effective income tax rates from continuing operations for the corresponding periods in 1998 were (2.3%) and

(12.2%), respectively. These rates reflect foreign taxes on profits in foreign jurisdictions and the inability to benefit the operating loss in the United States.

Inflation

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

Liquidity and Capital Resources

* At October 1, 1999, the Company had cash and cash equivalents of $57,237,000 and short-term investments of $39,654,000. 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 nine months ended October 1, 1999, net cash provided from operating activities was $16,779,000 as compared to cash provided of $2,398,000 in the corresponding period in 1998. Cash provided by operating activities in 1999 resulted primarily from decreases in inventories and increases in accrued compensation and benefits. Inventory from continuing operations as of October 1, 1999 decreased by $18,909,000 from the 1998 year end levels primarily due to the transition of substantially all of the Company's manufacturing to Solectron (See Note 2 to the consolidated financial statements); as well as, a focused effort by the Company to reduce inventory by supply chain synchronization, lead and cycle times reduction, product line simplification, and tighter control over its material forecasts. 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, the Company received cash of $26.9 million as part of an agreement with Solectron for the outsourcing of the manufacturing operations located in Sunnyvale, California. The 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 (See Note 2 to the consolidated financial statements).

Cash provided by sales of common stock in 1999 represents the proceeds from purchases made by the Company's employees pursuant to the Company's stock option plan and employee stock purchase plan and totaled $2,048,000 for the nine months ended October 1, 1999.

* In August 1997, the Company entered into a three-year, $50,000,000 unsecured revolving credit facility with four banks (the "Credit Agreement"). The Credit Agreement enables the Company to borrow up to $50,000,000, provided that certain financial and other covenants are met. As of October 20, 1999, the Company, the Agent and the Lenders agreed to change and amend certain covenants for the remaining life of the loan, which expires in August of 2000. 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. 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 as of October 1, 1999 amounting to approximately $133,000. 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 nine months of fiscal 1999, no shares have been repurchased under the discretionary program.

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

GPS Week Number Rollover Issues

During the third quarter of 1999 another date-related issue, known as the "GPS Week Number Roll-Over" or "WNRO" occurred. 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 ended on August 21, 1999, at which time the week number broadcast by all GPS satellites rolled over, back to 0.

On Saturday, August 21, 1999, the Company was fully staffed to assist customers and monitor the performance of over 100 products in real-time before, during and after the GPS Rollover event. Testing was conducted at various sites in the United States, New Zealand, the United Kingdom, Japan, Singapore and Australia. The Company was pleased to report that, based on engineering observations and field reports from preliminary data, its products performed as expected or better.

Year 2000 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.

The Company continues to assess the potential impact of the Year 2000 issue 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 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 company wide 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 is nearing completion of corrective efforts in this area, as follows:

- The Company upgraded its existing MRP/ERP information systems to a Year 2000 compliant version as of the end of the second quarter. As a result of testing the upgrade it was determined that further upgrades are required. The additional upgrades along with the final testing of the upgraded systems for Year 2000 compliance will be completed before the 21st century rollover. In addition ancillary critical systems continue to be upgraded during the fourth quarter of 1999 to be Year 2000 compliant.

- Assessment and remediation efforts in connection with the Company's other IT and non-IT systems are in progress as part of the Company's general Y2K Remediation Plan. This effort is expected to be completed before the 21st century rollover.

* Additionally, the Company currently plans to complete renovation, testing and implementation of critical systems, or successful execution of contingency plans, during the fourth quarter of 1999. There can be no assurance, however, that there will not be a delay in, or increased costs associated with, renovation, testing, implementation or execution of the Year 2000 remediation plan. 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 the Year 2000 issue upon the Company's products, the Company continues to assess the anticipated impact this issue 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 Policy to:

- Publish Year 2000 related product performance information on the Company's public web site;

- Respond to individual customer inquiries regarding the anticipated performance of particular Company products;

- Furnish upgrades to customers whose Trimble products are upgradable; and

- Provide information regarding available product alternatives to customers with non-compliant products.

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

* The Company does not anticipate that the Year 2000 issue 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 related product assessment, resolution of certain products' Year 2000 performance problems, implementation of the Company's Year 2000 Policy, and fulfillment of Year 2000 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 is planning to increase inventory levels for certain sole-sourced critical components. 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 supplementary total cost of Year 2000 remediation efforts will not exceed approximately $1.0 million. 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.

Overall Impact on the Company

* At the present time and subject to the cost estimates above, management does not believe that the Year 2000 matters discussed above will have a material adverse impact on the Company's financial condition or overall trends in results of operation. As a result, internal system enhancements have been and continue to be delayed and the extent of these delays can not be measured by the Company. It is uncertain to what extent the Company maybe affected at the time of the 21st century rollover 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.

During the third quarter of fiscal 1999, the Company transitioned substantially all of its manufacturing operations to an exclusive manufacturing partner. The Company is now substantially dependent upon a sole supplier for the manufacture of its precision positioning and mobile timing and technologies

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 10 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, intern, 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 21 years and the youngest satellite has been in orbit for 5 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 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 polices.

Market Interest Rate Risk

Short-term Investments Owned by the Company. As of October 1, 1999, the Company had short-term investments of $39.7 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 October 1, 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 October 1, 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 Company's 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 as of October 1, 1999:

Currency	Buy/ Sell	Foreign Currency Amount (in thousands)	Contract Value USD (in thousands)	Fair Value in USD (in thousands)
YEN	Sell	273,900	$ 2,530	$ 2,618
NZD	Buy	4,900	$ 2,587	$ 2,542
Euro	Sell	1,945	$ 2,049	$ 2,082
STERLING	Buy	1,250	$ 2,007	$ 2,069

* 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 6. EXHIBITS AND REPORTS ON FORM 8-K

Number

A. Exhibits

10.68* Asset Purchase Agreement dated August 10, 1999 by and among Trimble Navigation Limited and Solectron Corporation and Solectron Federal Systems, Inc. (1)

10.69* Supply Agreement dated August 10, 1999 by and among Trimble Navigation Limited and Solectron Corporation and Solectron Federal Systems, Inc. (1)

10.70 Revolving Credit Agreement - Loan - Fourth Amendment

27.1 Financial Data Schedule for the quarters ended October 1, 1999 and October 2, 1998

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* Confidential treatment has been requested for certain portions of this exhibit.

(1) Incorporated by reference to identically numbered exhibits filed in response Item 7(c), "Exhibits," of the registrant 's Current Report on Form 8-K filed on August 25, 1999.

B. Reports on Form 8-K

On August 25, 1999, the Company filed a report on Form 8-K relating to an Asset Purchase Agreement with Solectron Corporation and Solectron Federal Systems, Inc. (collectively, "Solectron"). Under the agreement the Company transferred to Solectron substantially all the manufacturing assets, associated commitments, and manufacturing technology located at its Sunnyvale, California campus to Solectron for total cash of approximately $26.9 million. Concurrently with the closing of the Asset Purchase Agreement, the Company and Solectron also entered into a Supply Agreement. The Supply Agreement provides for the exclusive manufacture by Solectron of almost all Trimble products for a period of three years.

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/ John C. Zimmerman

John C. Zimmerman
(Chief Financial Officer and Senior Vice President)

DATE: November 11, 1999

Exhibit 10.70

TRIMBLE NAVIGATION LIMITED

FOURTH AMENDMENT

THIS FOURTH AMENDMENT (this "Amendment") is entered into as of October 20, 1999 by and among TRIMBLE NAVIGATION LIMITED, a California corporation having its chief executive office at 645 North Mary Avenue, Sunnyvale, California 94086 (the "Borrower") and FLEET NATIONAL BANK, a national banking association organized under the laws of the United States and having an office at One Federal Street, Boston, Massachusetts 02110, as the Agent and as a Lender, BANKBOSTON, N.A., a national banking association, organized under the laws of the United States and having an office at One Hundred Federal Street, Boston, Massachusetts 02110, as the Syndication Agent and as a Lender, SANWA BANK CALIFORNIA, a banking corporation organized under the laws of the State of California and having an office at 220 Almaden Boulevard, 2nd Floor, San Jose, California 95113, as a Lender, and ABN AMRO BANK N.V., a Netherlands banking corporation having an office at 101 California Street, Suite 4550, San Francisco, California 94115, as a Lender, under the Loan Agreement (as defined below), to which reference is made for the definitions of all capitalized terms, used, but not otherwise defined, herein.

R E C I T A L S

WHEREAS, the parties have entered into a Loan Agreement dated as of August 27, 1997 among the Borrower, the Agent, the Syndication Agent, and the lenders from time to time party thereto (the "Lenders"), as amended by a Letter of Amendment dated December 17, 1997, and a Second Letter of Amendment dated August 11, 1998 and a Third Amendment dated as of February 16, 1999 (the "Agreement"), pursuant to which the Lenders issued a Revolving Credit Loan Commitment to the Borrower in the maximum principal amount of $50,000,000;

WHEREAS, pursuant to a certain Waiver Letter dated October 27, 1998 and a certain Supplement to Loan Agreement and Additional Waiver Letter dated December 9, 1998, the Borrower was granted a limited waiver with respect to the Borrower's compliance with certain covenants contained in the Agreement for the Borrower's fiscal quarters ended October 2, 1998 and January 1, 1999, conditional upon the satisfaction of certain specified waiver conditions contained therein on or prior to February 16, 1999, which was satisfied by the above-referenced Third Amendment;

WHEREAS, the Borrower has requested the Agent and the Lenders to further amend the Agreement as hereinafter set forth and the Agent and the Lenders are willing to do so;

NOW THEREFORE, in consideration of the mutual benefits to be derived from the parties' continuing relationship under the Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Borrower, the Agent, the Syndication Agent, and the Lenders hereby agree that the Agreement is hereby amended, effective as of the date first set forth above (the "Effective Date"), as follows:

1. Section 1.1 of the Agreement is hereby further amended by the addition of the following new defined term to be added alphabetically thereto:

"Allowed Repurchase" means the repurchase by the Borrower from certain of Borrower's stockholders of up to an aggregate of $30,000,000 of Borrower's capital stock with the proceeds of the Borrower's sale of certain assets.

2. Section 5.1.10 of the Agreement is hereby amended in its entirety to read as follows:

Section 5.1.10. Maximum Ratio of Total Funded Debt to Total Capitalization. Commencing September 30, 1999, maintain a ratio of (i) Total Funded Debt to (ii) Total Capitalization of less than .7:1.00.

3. Section 5.1.11 of the Agreement is hereby amended in its entirety to read as follows:

Section 5.1.11. Minimum Consolidated Tangible Net Worth. (i) Maintain a Consolidated Tangible Net Worth in an amount not less than the Borrower's

Consolidated Tangible Net Worth as of the end of the Borrower's September 30, 1999 fiscal quarter minus the sum of $5,000,000 and the lesser of (a) the amount of the Allowed Repurchase and (b) $30,000,000, and (ii) comply with Section 8K of the Note Purchase Agreement dated as of June 13, 1994 among the Borrower, John Hancock Mutual Life and John Hancock Life Insurance, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

4. Section 5.1.12 of the Agreement is hereby amended in its entirety to read as follows:

Section 5.1.12. Minimum Cash Balances. Maintain at all times on and after the Effective Date unrestricted cash balances and Cash Equivalent Investments in an amount equal to or greater than $50,000,000 of which unrestricted cash balances and Cash Equivalent Investments (to the extent and of types issued by a Lender) in an amount equal to or greater than the aggregate outstanding amount of the Obligations (including without limitation the Revolving Credit Loan, the aggregate outstanding amount of any Letters of Credit and any Unpaid Drawings) must be kept in one or more accounts maintained by the Borrower with one or more of the Lenders.

5. Section 5.2.8 of the Agreement is hereby amended in its entirety to read as follows:

Section 5.2.8. Overall Aggregate Cap. Notwithstanding the terms and conditions of Sections 5.2.4, 5.2.6, 5.2.7.3, 5.2.7.4 and 5.2.10, the Consolidated Tangible Net Worth measurements of permitted transactions contained therein are subject to an aggregate Consolidated Tangible Net Worth limitation of thirty percent (30%) of Consolidated Tangible Net Worth for all such transactions permitted by any of said Sections excluding, to the extent otherwise includable therein, the Allowed Repurchase.

6. Exhibit 3.1.1.10 to the Agreement (Form of Compliance Certificate) is hereby deleted and a new Exhibit 3.1.1.10 in the form attached hereto as " Exhibit 3.1.1.10 " is substituted in its stead.

7. This Amendment shall take effect as of the Effective Date upon receipt by the Agent of this Amendment duly executed by the parties hereto.

8. The Borrower hereby represents and warrants to the Agent and the Lenders that no Default or Event of Default exists under the Agreement.

9. This Amendment is executed as an instrument under seal and shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts without regard to its conflicts of law rules. All parts of the Agreement not affected by this Amendment are hereby ratified and affirmed in all respects, provided that if any provision of the Agreement shall conflict or be inconsistent with this Amendment, the terms of this Amendment shall supersede and prevail. Upon and after the date of this Amendment all references to the Agreement in that document, or in any related document, shall mean the Agreement as amended by this Amendment. Except as expressly provided in this Amendment, the execution and delivery of this Amendment does not and will not amend, modify or supplement any provision of, or constitute a consent to or a waiver of any noncompliance with the provisions of the Agreement, and, except as specifically provided in this Amendment, the Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

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IN WITNESS WHEREOF, each of the Borrower, the Agent, the Syndication Agent,

and the Lenders in accordance with Section 9.5 of the Agreement, has caused this Amendment to be executed and delivered by their respective duly authorized officers as an instrument under seal as of the Effective Date.

BORROWER:

TRIMBLE NAVIGATION LIMITED

By: /s/ John E. Huey________________________
John E. Huey
Treasurer

AGENT:

FLEET NATIONAL BANK

By: /s/ Mathew M. Glauninger________________
Mathew M. Glauninger
Senior Vice President

SYNDICATION AGENT:

BANKBOSTON, N.A.

By:/s/ Anthony B. Kwee______________________
Anthony B. Kwee
Vice President

LENDERS:

FLEET NATIONAL BANK

By: /s/ Mathew M. Glauninger
Mathew M. Glauninger
Senior Vice President

BANKBOSTON, N.A.

By: /s/ Anthony B. Kwee_____________________
Anthony B. Kwee
Vice President

SANWA BANK CALIFORNIA

By: /s/ Jillian Mathur______________________
Jillian Mathur
Vice President

ABN AMRO BANK N.V.

By:____
____
Print Name
Title:______________________________________

By:____
____
Print Name
Title:______________________________________

EXHIBIT 3.1.1.10 - FORM OF COMPLIANCE CERTIFICATE

Fleet National Bank
One Federal Street
Boston, MA 02110

Attention:________Mathew M. Glauninger, Senior Vice President
High Technology Group, MA OF DO7A

Re: Compliance Certificate Required by Sections 3.1.1.10 or 5.3.4 of the Loan Agreement dated as of August 27, 1997 by and among you as Agent, BankBoston, N.A., as the Syndication Agent, the undersigned and the Lenders from time to time party thereto, as amended from time to time (the "Loan Agreement")

Gentlemen:

This certificate is submitted by the undersigned (the "Borrower") pursuant to Sections 3.1.1.10 or 5.3.4 of the Loan Agreement. Capitalized terms used herein have the same meaning as in the Loan Agreement.

The Borrower hereby certifies to the Agent and the Lenders that the following information is true, accurate and complete as of the Borrower's fiscal quarter ending ____________, ________ (the "Quarter").

Section 5.1.10. Maximum Ratio of Total Funded Debt to Total Capitalization (Calculated as at end of the Quarter)

(a) Obligations (all Indebtedness under Financing Documents)..............................$___________________

(b) Subordinated Debt.................................$___________________

(c) Capitalized Lease Obligations......................$___________________

(d) Total Funded Debt [Sum of Lines (a) - (c)]..........$___________________

(e) Consolidated Net Worth............................$___________________

(f) Total Capitalization [Sum of Line (d) + Line (e)]...$___________________

(g) Actual Ratio: [Line (d) divided by Line (f)]........ :1.0

(h) Maximum Ratio Permitted by Agreement............... :1.0

Section 5.1.11. Minimum Consolidated Tangible Net Worth (Calculated as at end of the Quarter)

(a) Total assets of Borrower and Subsidiaries..............$______________

(b) Consolidated Total Liabilities........................($_____________)

(c) Consolidated Net Worth [Line (a) minus Line (b)]............................$______________

(d) Excluded items (if any)* ....($_____________)

(e) Consolidated Tangible Net Worth.......................$______________

(f) Minimum Permitted by Agreement:

(i) Consolidated Tangible Net Worth as at September 30, 1999 quarter end minus sum of $5,000,000 and lesser of Allowed Repurchase and

$30,000,000, i.e., $________..........................$______________

(ii) Minimum "Consolidated Net Worth" Required Under Section 8K of Note Purchase Agreement dated 6/13/94 ("NPA")................................$______________

Section 5.1.12. Minimum Cash Balances..
(Calculated on any date after September 30, 1999)

(a) Obligations (under Financing Documents).................$______________

(i) Revolving Loans $_____________________
(ii) Letters of Credit $_____________________

(b) Total Cash Balances and Cash Equivalent Investments.........$______________

(c) Minimum Required by Agreement...............................$50,000,000.

(d) Total Cash Balances and qualified Cash Equivalent Investments in accounts with Lenders....................................$____________

(e) Minimum Required is amount of (a)

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* Excluded items are (a)book value of intangible assets, including goodwill, unamortized debt discount and expense, patents, trade and service marks and names, copyrights, franchises, etc. of $_______________________; and (b) other (describe) of $__________________________.

Section 5.1.13. Minimum Quick Ratio.
(Calculated as at end of the Quarter)

(a) Cash..$______________

(b) Cash Equivalent Investments...........................$______________

(c) Net outstanding amount of accounts receivable.................................$______________

(d) Sum of Lines (a), (b) and (c).........................$______________

(e) Current Liabilities...................................$______________

(f) Less Current Liabilities consisting of Revolving Credit Loans..($_______)

(g) Line (e) minus Line (f)......................................$________

(h) Quick Ratio [Line (d) divided by Line(g)...................... :1.0

(g) Minimum Quick Ratio Permitted by Agreement.................... :1.0

Section 5.2.9. Minimum Operating and Net Income.

Calculated as at end of the Quarter:

(a) Net income (loss) (GAAP) as at end of the Quarter...........$__________

(b) Less extraordinary or other non-recurring gains as at end of the Quarter.................................($_________)

(c) Less gains from sale or other non-ordinary course disposition of assets as at end of the Quarter..............($_________)

(d) Net Income as at end of the Quarter [Line (a) minus sum of Lines (b) and (c)]...................$__________

Calculated as at End of Immediately Preceding Quarter:

(e) Net income (loss) (GAAP) as at end of the fiscal quarter immediately preceding the Quarter..........................$__________

(f) Less extraordinary or other non-recurring gains as at end of the fiscal quarter immediately preceding the Quarter.........($_________)

(g) Less gains from sale or other non-ordinary course disposition of assets as at end of the fiscal quarter immediately preceding the Quarter...........................($________)

(h) Net Income as at end of the fiscal quarter immediately preceding the Quarter [Line (e) minus sum of Lines (f) and (g)]....................$_________

Calculated as at End of Second Immediately Preceding Quarter:

(i) Net income (loss) (GAAP) as at end of the fiscal quarter immediately preceding the Quarter...........................$_________

(j) Less extraordinary or other non-recurring gains as at end of the fiscal quarter immediately preceding the Quarter..........($________)

(k) Less gains from sale or other non-ordinary course disposition of assets as at end of the fiscal quarter immediately preceding the Quarter...........................($________)

(l) Net Income as at end of the fiscal quarter immediately preceding the Quarter [Line (i) minus sum of Lines (l) and (k)]....................$_________

Calculated as at End of Third Immediately Preceding Quarter:

(m) Net income (loss) (GAAP) as at end of the fiscal quarter immediately preceding the Quarter...........................$_________

(n) Less extraordinary or other non-recurring gains as at end of the fiscal quarter immediately preceding the Quarter..........($________)

(o) Less gains from sale or other non-ordinary course disposition of assets as at end of the fiscal quarter immediately preceding the Quarter...........................($________)

(p) Net Income as at end of the fiscal quarter immediately preceding the Quarter [Line (m) minus sum of Lines (n) and (o)]....................$_________

(q) Net Income

The Quarter [line (d)], plus Excluded items (if any)** of $___....$_____
Immediately Preceding Quarter [line (e)]
plus excluded items (if any)** of $__________................$_______
Second Immediately Preceding Quarter [line (i)]
plus Excluded items (if any)** of $__________................$_______
Third Immediately Preceding Quarter [line (m)]
plus excluded items (if any)** of $__________................$_______

(r) Operating Income

The Quarter plus Excluded items (if any) ** of $________________________................................$_______

Immediately Preceding Quarter plus excluded items (if any)** of $________________________................................$_______

Second Immediately Preceding Quarter plus Excluded items (if any)) ** of $___________________..........$_______

Third Immediately Preceding Quarter plus excluded items (if any)** of $________________..........$_______

(s) Minimum Operating Income and Net Income Required under the Agreement:

(i) during the period beginning with the Borrower's fiscal quarter ending March, 1999 and ending on the fiscal quarter ending December, 1999, have a negative Operating Income or a negative Net Income for any two fiscal quarters, and

(ii) as of the end of each fiscal quarter of the Borrower commencing with the Borrower's fiscal quarter ending in March, 2000, have a negative Operating Income, or a negative Net Income for the rolling four quarter fiscal period consisting of such fiscal quarter and the three immediately preceding fiscal quarters.

** Excluded items are any amount taken as a one-time charge against earnings attributable to (a) settlement of class action litigation; (b) closing of commercial marine division; and (c) reduction in employees resulting from switch to contract manufacturing, (a) - (c) not to exceed $2,000,000 in the aggregate.

The Borrower further certifies to the Lenders that as of the date hereof no Event of Default or Default has occurred without having been waived in writing.

TRIMBLE NAVIGATION LIMITED

By:
Name: [ ]
Title: [ ]

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED BALANCE SHEET AND CONDENSED CONSOLIDATED STATEMENT OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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