



Trimble Fourth Quarter Results Exceed Guidance

Company Announces 3-for-2 Stock Split

- Revenues of \$135.9 million versus guidance of \$128.0 - \$130.0 million;
- GAAP EPS of \$0.43 versus guidance of \$0.16 - \$0.19; GAAP net income and EPS were increased by a \$7.6 million or \$0.21 income tax benefit under FAS 109 related to adjustments in valuation of deferred tax assets;
- Adjusted EPS, which excludes acquisition and tax-related items, were \$0.29

SUNNYVALE, Calif., Feb. 3, 2004 -- Trimble (Nasdaq: TRMB) today announced results for its fourth fiscal quarter and year ended January 2, 2004. The Company reported fourth quarter revenues of approximately \$135.9 million, versus approximately \$124.6 million in the fourth quarter of 2002.

GAAP net income and EPS for the fourth quarter of 2003 were approximately \$15.1 million and \$0.43, respectively versus \$4.0 million and \$0.14 in the fourth quarter of 2002. Adjusted net income and EPS for the fourth quarter of 2003 were \$10.2 million and \$0.29, respectively versus \$8.1 million and \$0.27 in the fourth quarter of 2002. GAAP and adjusted EPS for the fourth quarter of 2003 were calculated on a diluted basis using approximately 35.4 million shares.

3-for-2 Stock Split

Trimble's Board of Directors has approved a 3-for-2 split of all outstanding shares of the Company's common stock, payable March 4, 2004 to stockholders of record on February 17, 2004. Cash will be paid in lieu of fractional shares.

Full-year Results

For 2003, revenues were \$540.9 million, a 16 percent increase over 2002 revenues of \$466.6 million. 2003 GAAP net income and EPS were \$38.5 million and \$1.15, respectively versus \$10.3 million and \$0.36 in 2002. Adjusted net income and EPS were \$44.7 million and \$1.34, respectively versus \$21.0 million and \$0.72 in 2002. GAAP and adjusted EPS for 2003 were calculated on a diluted basis using a weighted average of approximately 33.3 million shares.

Use of Non-GAAP Financial Measures

The Company provides non-GAAP financial measures called "Adjusted Net Income" and "Adjusted EPS" to supplement its consolidated financial statements presented in accordance with GAAP. These non-GAAP financial measures are intended to supplement the user's overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes the non-GAAP results provide useful information to both management and investors by identifying certain expenses, gains or losses that, when excluded from the GAAP results, may provide additional understanding of the Company's core operating results or business performance. However, these non-GAAP financial measures are not intended to supercede or replace the Company's GAAP results. A detailed reconciliation of the GAAP results to the non-GAAP results is provided below in Table A "Reconciliation of GAAP and Adjusted Net Income and EPS."

Table A. Reconciliation of GAAP and Adjusted Net Income and EPS

	Three Months Ended		Twelve Months Ended	
	Jan 2, 2004	Jan 3, 2003	Jan 2, 2004	Jan 3, 2003
GAAP net income	\$ 15,091	\$ 4,005	\$ 38,485	\$ 10,324
Infrequent & acquisition related adjustments *				
Amortization of purchased intangibles assets	1,922	2,166	7,312	8,300
Amortization of acquisition-related inventory step-up	456	-	926	-
Restructuring charges	286	453	2,019	1,099
Amortization and write off of debt issuance cost and warrants	-	-	3,556	-
Gain on sale of investment	-	-	-	(165)
Write down of investment	-	1,453	-	1,453
Total infrequent and acquisition related adjustments	2,664	4,072	13,813	10,687
Adjustments in valuation of deferred tax assets	(7,600)	-	(7,600)	-
Adjusted net income	\$ 10,155	\$ 8,077	\$ 44,698	\$ 21,011
Diluted adjusted net earnings per share	\$ 0.29	\$ 0.27	\$ 1.34	\$ 0.72
Shares used in calculating diluted adjusted net earnings per share	35,414	29,469	33,341	29,052
* Non-GAAP adjustments				

"Trimble's solid performance in the fourth quarter capped a record year for both revenues and net income," said Steven W. Berglund, president and CEO of Trimble. "In addition to our strong financial performance, we believe our strategic positioning in our markets is strong. We have reinforced this position in 2004 through acquisitions, joint ventures and alliances, as well as introducing innovative new products and solutions that bring productivity improvements and real cost savings to our customers. Heading into 2004, Trimble is in a strong position in the markets we serve."

Fourth Fiscal Quarter Business Segment Highlights

Engineering and Construction (E&C)

Fourth quarter revenues for E&C increased by 13 percent over the fourth quarter of 2002. Survey instruments continued to drive sales, as demand remained strong despite the winter months, which typically experience seasonal weakness. Tripod Data Systems data collection software and rugged handheld computing products had another strong quarter, with substantial increases in sales versus the fourth quarter of 2002.

Field Solutions (TFS) - Agriculture and Geographic Information Systems (GIS)

Fourth quarter revenues for TFS increased by approximately 7 percent over the fourth quarter of 2002. Increasing adoption of automated guidance products drove

agriculture sales, especially in the U.S. Demand for GIS products in Europe helped offset customary seasonal weakness in the U.S.

Component Technologies (CT)

Fourth quarter revenues for CT declined by approximately 23 percent over the fourth quarter of 2002. Fourth quarter is typically a seasonally weak period for sales to wireless infrastructure customers, and as expected, sales were down from an exceptionally strong period in the fourth quarter of 2002. Sales to in-vehicle navigation customers were robust and helped offset the decline in wireless infrastructure.

Mobile Solutions (™S)

Fourth quarter revenues for ™S increased by approximately 70 percent over the fourth quarter of 2002, while growing by approximately 31 percent sequentially. The fourth quarter marked a recovery in sales in the construction vertical, specifically ready mix concrete trucks, as sales and marketing efforts returned to normal levels following the decrease in activity during the third quarter related to the failure of purchased components in the field.

Pre-split Guidance

The first quarter is typically a seasonally soft period for most of Trimble's businesses, except agriculture.

For the first quarter ending April 2, 2004, the Company expects revenues will be between \$146.0 and \$148.0 million. Gross margins are expected to be approximately 49.5 percent. Operating expenses, including approximately \$2.0 million of amortization of purchased intangibles are expected to be approximately \$59.5 million. Net interest expense is expected to be approximately \$1.0 million, and other non-operating expense should be approximately \$1.5 million. For income tax provision, the Company is no longer providing an absolute dollar amount and now believes it should be taxed at a 12 percent effective tax rate on a quarterly basis in 2004. Within these revenue guidelines, Trimble expects GAAP EPS to be between \$0.25 and \$0.28, assuming 35.8 million shares outstanding. GAAP EPS includes approximately \$2.0 million for amortization of purchased intangibles that should be excluded when calculating non-GAAP (adjusted) EPS.

Guidance for the entire fiscal year 2004 is for revenues between \$580.0 and \$590.0 million, with GAAP EPS of \$1.30 to \$1.40, assuming a weighted average of 36.3 million shares outstanding for the year. GAAP EPS includes approximately \$8.0 million for amortization of purchased intangibles and \$1.0 million for potential restructuring activities that should be excluded when calculating non-GAAP (adjusted) EPS.

Investor Conference Call / Webcast Details

The Company will hold a conference call on Tuesday, February 3, 2004 at 2:00 PM Pacific Time to review its fourth quarter results. It will be broadcast live on the web at www.trimble.com/investors.html. A replay of the call will be available for 7 days beginning at 5:00 PM, Pacific Time. The replay number is (800) 642-1687, and the passcode is 4815924.

About Trimble

Trimble is a leading innovator of Global Positioning System (GPS) technology. In addition to providing advanced GPS components, Trimble augments GPS with other positioning technologies, as well as wireless communications and software, to create complete customer solutions. Trimble's worldwide presence and unique capabilities position the Company for growth in emerging applications including surveying, automobile navigation, machine guidance, asset tracking, wireless platforms, and telecommunications infrastructure. Founded in 1978 and headquartered in Sunnyvale, California, Trimble has more than 2,000 employees in more than 20 countries worldwide. For an interactive look at Company news and products, visit Trimble's Web site at <http://www.trimble.com>

Certain statements made in this press release are 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, and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These statements include the revenue, gross margin, operating expenses, net interest expense, non-operating expense, income tax provision and earnings per share estimates for the quarter ending April 2, 2004 and for the fiscal year ending December 31, 2004. These forward-looking statements are subject to change, and actual results may materially differ from those set forth in this press release due to certain risks and uncertainties. For example, recent strong demand for the Company's products may not continue because of a decline in the overall health of the economy and international markets, which may result in reduced capital spending. In addition, the Company's results may be adversely affected if our joint ventures and recent acquisitions do not achieve anticipated results. Any failure to achieve predicted results could negatively impact the Company's revenues and gross margin. Whether the Company achieves its guidance for the first quarter of 2004 and the entire fiscal year 2004 will also depend on a number of other factors, including the risks detailed from time to time in reports filed with the SEC, including its quarterly reports on Form 10-Q and its annual report on Form 10-K. Undue reliance should not be placed on any forward-looking statement, contained herein. These statements reflect the Company's position as of the date of this release. The Company expressly disclaims any undertaking to release publicly any updates or revisions to any statements to reflect any change in the Company's expectations or any change of events, conditions, or circumstances on which any such statement is based.

Financial Tables

- [Consolidated Statements of Operations](#)
- [Reconciliation of GAAP to Non-GAAP](#)
- [Consolidated Balance Sheet](#)
- [Consolidated Statements of Cash Flows](#)
- [Summary Financial Information](#)

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