



## Trimble First Quarter Results Exceed Guidance

- Record revenues of \$156.5 million versus guidance of \$146.0 - \$148.0 million;
- GAAP EPS of \$0.24 versus guidance of \$0.17 - \$0.18;
- Non-GAAP EPS, which excludes acquisition-related items, were \$0.27;
- Full year revenue guidance increased to \$615.0 - 625.0 million versus previous guidance of \$580.0 - \$590.0 million;
- Full year GAAP EPS guidance increased to \$0.98 - \$1.04 versus previous guidance of \$0.86 - \$0.92

**SUNNYVALE, Calif., Apr. 27, 2004** -- Trimble (Nasdaq: TRMB) today announced results for its first fiscal quarter ended April 2, 2004. The Company reported first quarter revenues of approximately \$156.5 million, versus approximately \$127.3 million in the first quarter of 2003.

GAAP net income and EPS for the first quarter of 2004 were approximately \$12.8 million and \$0.24, respectively versus \$5.4 million and \$0.12 in the first quarter of 2003. Non-GAAP net income and EPS for the first quarter of 2004 were \$14.7 million and \$0.27, respectively versus \$7.5 million and \$0.17 in the first quarter of 2003. The effective tax rate for GAAP and non-GAAP EPS for the quarter was 15 percent versus guidance of 12 percent. GAAP and non-GAAP EPS for the first quarter of 2004 were calculated on a diluted basis using approximately 54.2 million shares.

All per share numbers and total share count have been adjusted for a 3-for-2 stock split that took effect on March 5, 2004.

### Use of Non-GAAP Financial Measures

The Company provides non-GAAP financial measures called "non-GAAP net income" and "non-GAAP 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 Non-GAAP Net Income and EPS."

**Table A. Reconciliation of GAAP and Non-GAAP Net Income and EPS**



"Trimble's strong revenue growth reflects generally improving market demand combined with the strength of our product portfolio and enhanced distribution capabilities," said Steven W. Berglund, president and CEO. "Our net income growth reflects the operating leverage that is inherent in our cost structure as we grow revenues. We continue to believe we are at the beginning of our growth cycle as many of our markets are still new or under-penetrated."

### First Fiscal Quarter Business Segment Highlights

#### Engineering and Construction (E&C)

E&C reported record quarterly revenues in the first quarter, growing approximately 20 percent over the first quarter of 2003. All product segments showed year-over-year growth, with machine control being particularly strong.

Sales of Nikon products continued to be stronger than anticipated as the Trimble dealer channel has significantly increased the demand beyond levels seen in the past. While having a positive impact on Trimble's profits, these sales negatively impact gross margin as a percentage of revenue.

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

TFS reported record quarterly revenues in the first quarter, growing approximately 19 percent over the first quarter of 2003. Strong demand for automatic and manual guidance products, combined with seasonality, drove record agriculture sales. GIS sales also showed strong year-over-year growth as the result of continued demand for the

GeoExplorer® handheld GPS product line.

### **Component Technologies (CT)**

First quarter revenues for CT increased by approximately 3 percent over the first quarter of 2003. Demand for wireless infrastructure products drove this year-over-year increase. Also, during the quarter, CT announced it would enter new markets with its TrimTrac™ locator, as well as through products targeted at the wireline telecommunications market. The Company has already built a backlog for TrimTrac and expects to begin to build a backlog for the wireline products later in the second quarter or early in the third quarter.

### **Mobile Solutions (TMS)**

First quarter revenues for TMS increased by approximately 66 percent over the first quarter of 2003, while growing by approximately 50 percent sequentially. During the quarter, the total number of subscribers increased by 50 percent over the year-end figures due to strong additions from the construction asset management vertical market as well as from the Company's dealer channel. The Company closed its acquisition of TracerNet in early March.

### **Guidance**

The second quarter is typically the Company's seasonally strongest period due to the beginning of the buying season in E&C.

For the second quarter ending July 2, 2004, the Company expects revenues will be between \$163.0 and \$166.0 million. Within these revenue guidelines, gross margins are expected to be approximately 49 percent and 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 \$1.8 million. For income tax provision, the Company now believes the increased profits will move the effective tax rate to 15 percent quarterly and full-year basis in 2004 (previous expectations were for a 12 percent effective tax rate). Within these revenue and expense guidelines, Trimble expects GAAP EPS to be between \$0.28 and \$0.30, assuming 54.5 million shares outstanding. GAAP EPS includes approximately \$2.0 million for amortization of purchased intangibles that should be excluded when calculating non-GAAP EPS.

Guidance for the entire fiscal year 2004 is for revenues between \$615.0 and \$625.0 million, with GAAP EPS of \$0.98 to \$1.04, assuming a weighted average of 55.0 million shares outstanding for the year. GAAP EPS includes approximately \$8.0 million for amortization of purchased intangibles and \$0.5 million in potential restructuring charges that should be excluded when calculating non-GAAP EPS.

### **Investor Conference Call / Webcast Details**

The Company will hold a conference call on Tuesday, April 27, 2004 at 8:00 AM Pacific Time to review its fourth quarter results. It will be broadcast live on the web at <http://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 6867018.

### **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 July 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 or our ability to market, manufacture and ship new products such as our TrimTrac locator or new wireline telecommunications products. Any failure to achieve predicted results could negatively impact the Company's revenues and gross margin. Whether the Company achieves its guidance for the second 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**

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

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