



Trimble Reports Record Fiscal 2004 Revenue and Earnings

Fiscal 2004 Revenue Up 24 Percent, Earnings Per Share Up 60 Percent

SUNNYVALE, Calif., Jan. 26, 2005 -- Trimble (Nasdaq: TRMB) today announced results for its fourth quarter and fiscal year 2004, ended December 31, 2004. Revenue for the fourth quarter of fiscal 2004 was \$162.7 million, up approximately 20 percent from revenue of \$135.9 million for the fourth quarter of fiscal 2003. Revenue for fiscal 2004 was \$668.8 million, up approximately 24 percent from revenue of \$540.9 million reported in fiscal 2003.

Net income for the fourth quarter of fiscal 2004 was \$16.4 million, or \$0.29 per share. This compares to net income of \$15.1 million, or \$0.28 per share for the fourth quarter of fiscal 2003. Net income for fiscal 2004 was \$67.7 million, up 76 percent from net income of \$38.5 million in fiscal 2003. Earnings per share for fiscal 2004 were \$1.23 per share, up approximately 60 percent from \$0.77 per share for fiscal 2003.

During the fourth quarter of fiscal 2004, GAAP net income was affected by a tax benefit under FAS 109 of \$5.5 million, or \$0.10 per share, related to adjustments in the valuation of deferred tax assets. A similar benefit was recorded in the fourth quarter of fiscal 2003, resulting in an increase to GAAP net income of \$7.6 million, or \$0.14 per share, in that quarter.

"Throughout 2004, we reported strong revenue and earnings growth. The new products we introduced in late 2004 and early this year, position us well to continue our positive performance trends in 2005," said Steven W. Berglund, Trimble's president and chief executive officer. "In the near term, the increased traction provided by the new products, as well as a number of other strategic initiatives, should contribute to continuing revenue and earnings growth. In the longer term, we remain focused on expanding our position in current markets through aggressive innovation and market action, capturing emerging geographical markets, and establishing new product and market categories."

Trimble Revenue Growth by Business Segment

Trimble experienced growth in all of its reporting segments. Specifically:

Engineering and Construction (E&C) revenue in the fourth quarter of fiscal 2004 was up approximately 17 percent compared to the fourth quarter of fiscal 2003, and up 20 percent for the full year. Sales of machine control products were a major driver in the segment's results for the fourth quarter of fiscal 2004.

Field Solutions (TFS) revenue in the fourth quarter grew by 24 percent compared to the fourth quarter of 2003, and by 32 percent for the full year. The largest contributor to TFS revenue growth was the AgGPS® EZ-Guide® Plus system, an agriculture manual guidance product that was introduced in early 2004.

Component Technologies (CT) revenue grew by 2 percent for the fourth quarter and for the full year, compared to the same periods in the prior fiscal year. In its last conference call, the Company projected that fourth quarter CT revenue would be flat to down based on a delay in the shipment of its TrimTrac™ locator. The TrimTrac locator began shipping in January of 2005.

Mobile Solutions (TMS) revenue for the fourth quarter of fiscal 2004 was up 92 percent compared to the fourth quarter of fiscal 2003, and up 81 percent for the full year. TMS again saw strong sequential subscriber growth of approximately 40 percent over the third quarter of fiscal 2004. The segment continues to move toward its goal of profitability in the first half of fiscal 2005.

Non-GAAP vs. GAAP Financials

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. In many cases, non-GAAP financial measures are used by analysts and investors to evaluate the Company.

Specifically, the Company's fourth quarter and fiscal year 2004 results exclude amortization of purchased intangibles and changes in market valuation of minority investments from non-GAAP EPS because the chief executive officer excludes these items when budgeting and evaluating the business. Results also exclude restructuring charges, amortization of acquisition-related inventory step-up, debt issuance charges, warrant charges, and income tax benefits related to the re-valuation of deferred tax assets because they are infrequent and not essential to evaluating the Company's operations. The Company uses a fully-taxed rate of 35 percent for non-GAAP net income and

earnings per share because it is used by outside analysts and investors, as well as for internal analysis, to provide comparable information for use in evaluating Trimble's performance versus prior periods and other companies. However, these non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results. Please see the supplemental financial statements for a reconciliation of non-GAAP to GAAP results.

Non-GAAP Net Income and EPS

Non-GAAP net income for the fourth quarter of fiscal 2004 was \$10.4 million compared to net income of \$7.2 million for the fourth quarter of fiscal 2003. Non-GAAP earnings per share for the fourth quarter of fiscal 2004 were \$0.19, compared to \$0.14 per share for the fourth quarter of fiscal 2003.

Non-GAAP net income for fiscal 2004 was approximately \$54.1 million, compared to net income of \$32.1 million for fiscal 2003. Non-GAAP earnings per share for fiscal 2004 were \$0.98 per share, compared to \$0.64 per share for fiscal 2003.

GAAP and non-GAAP earnings per share for the fourth quarter and fiscal year 2004 were calculated on a diluted basis using approximately 55.8 million shares and 54.9 million shares, respectively.

Forward Looking Guidance

For the first quarter of fiscal 2005, the company expects revenue in the \$178.0 to \$182.0 million range. Based on these revenue guidelines, the Company expects GAAP operating margins between 12.5 and 13.3 percent. Net interest expense is expected to be approximately \$0.5 million, and other non-operating expense should be approximately \$2.5 million. The Company expects to use a 35 percent effective tax rate for GAAP income tax provision. Based on the preceding, Trimble expects GAAP earnings per share between \$0.22 and \$0.24 per share, using approximately 56.4 million shares outstanding. Included in the GAAP results is approximately \$2.3 million of amortization of purchased intangibles.

Investor Conference Call / Webcast Details

The Company will hold a conference call on Wednesday, January 26, 2005 at 8:00 a.m. PST to review its fourth quarter and fiscal year end 2004 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 p.m., Pacific Time. The replay number is (800) 642-1687 (U.S.), or (706) 645-9291 (International), and the passcode is 3223234.

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.

Company's results may be adversely affected if its joint ventures and recent acquisitions do not achieve anticipated results or if the Company is unable to market, manufacture and ship new products such as new survey products. Any failure to achieve predicted results could negatively impact the Company's revenues, gross margin and other financial results. Whether the Company achieves its guidance for the first fiscal quarter of 2005 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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Investor Relations Contact: Willa McManmon of Trimble: 408-481-7838
Media Contact: LeaAnn McNabb of Trimble: 408-481-7808