



Trimble Reports Record Fourth Quarter and Fiscal 2005 Revenue and Earnings

Fourth Quarter 2005 Revenue Up 15 Percent, Net Income Up 43 Percent

SUNNYVALE, Calif., Jan. 24, 2006 Trimble (NASDAQ: TRMB) today announced results for its fourth quarter and fiscal year 2005, ended Dec. 30, 2005. Revenue for the fourth quarter of 2005 was \$186.8 million, up approximately 15 percent from revenue of \$162.7 million in the fourth quarter of 2004. Revenue for fiscal 2005 was \$774.9 million, up approximately 16 percent from revenue of \$668.8 million in fiscal 2004.

Operating income for the fourth quarter of 2005 was \$23.0 million, up 44 percent over operating income of \$15.9 million in the fourth quarter of 2004. Operating income for 2005 was \$124.9 million, up 46 percent over operating income of \$85.6 million in 2004. Net income for the fourth quarter of 2005 was \$23.4 million, or \$0.41 per share, up approximately 43 percent when compared to net income of \$16.4 million, or \$0.29 per share for the fourth quarter of 2004. Net income for 2005 was \$84.9 million, or \$1.49 per share, up 25 percent when compared to net income of \$67.7 million, or \$1.23 per share, in 2004.

Some factors should be considered in year-over-year comparisons. In 2005, Trimble's effective tax rate was 32 percent, as compared to an effective tax rate of 10 percent in fiscal 2004. The 2004 effective tax rate benefited from net operating loss carry-forwards, and other adjustments in the valuation of deferred tax assets. Additionally, net income in the fourth quarter of 2005 was favorably impacted by the recognition of a deferred gain related to Trimble's joint venture with Caterpillar, Inc., partially offset by in-process research and development charges due to new acquisitions.

"In 2005, Trimble continued to demonstrate consistent revenue growth and improvement in operating margins, as it has for the last six years," said Steven W. Berglund, Trimble's president and chief executive officer. "Additionally, during the year, we expanded our market presence, both in new markets, such as mobile solutions, and within the more established engineering and construction market."

"Looking to 2006, we feel that Trimble is well-positioned to continue to penetrate its served markets, many of which are just beginning to use technology as a productivity tool," Berglund continued. "The engineering and construction market is showing continuing signs of growth, and we expect our mobile solutions business, which is now profitable, to continue to grow rapidly."

Trimble Results by Business Segment Engineering and Construction

Revenue for Engineering and Construction (E&C) was \$129.0 million for the fourth quarter of 2005, up approximately 20 percent compared to revenue of \$107.8 million in the fourth quarter of 2004. E&C revenue for 2005 was \$524.5 million, up 19 percent year-over-year.

Operating margins in E&C were 19.4 percent in the fourth quarter of 2005, up 4.4 points from the fourth quarter of 2004. E&C operating margins for 2005 were 22.5 percent, compared to 18 percent in the prior year.

E&C experienced strong growth in all of its business areas driven by continued penetration of its markets, in part due to the successful introduction of new products such as the Trimble® S6 Total Station and machine control products.

Trimble Field Solutions

Revenue for Trimble Field Solutions (TFS) was \$25.3 million in the fourth quarter of 2005, up 7 percent compared to \$23.8 million in revenue in the fourth quarter of 2004. TFS revenue for 2005 was \$127.8 million, up 21 percent over 2004. This growth was driven by strong first quarter sales of the AgGPS® EZ-Steer™ guidance product, as well as some recovery in agriculture spending in the fourth quarter.

TFS operating margins for the fourth quarter of 2005 were 19.5 percent, compared to 17.8 percent in the fourth quarter of 2004, due to higher revenues and operating leverage. TFS operating margins in 2005 were also up, coming in at 25.4 percent, compared to 23.8 percent in 2004.

Component Technologies

Component Technologies revenue for the fourth quarter of 2005 was \$12.2 million, down from \$15.6 million in the same period of 2004. CT revenue for 2005 was \$53.9 million, down 18 percent from 2004. This decline was mainly due to reduced sales of in-vehicle navigation and timing products.

CT operating margins were 7.9 percent in the fourth quarter of 2005, compared to 20 percent in the fourth quarter of 2004. For 2005, CT margins were 14.9 percent, down from 21.2 percent in 2004. This decline is due to a reduced revenue base and product mix.

Trimble Mobile Solutions

Revenue for Trimble Mobile Solutions (TMS), was \$10.4 million, up 56 percent from revenue of \$6.7 million in the fourth quarter of 2004. Revenue for 2005 was \$31.5 million, up 34 percent compared to 2004. Revenue growth was due to higher recurring revenues and from the partial quarter effect of the MobileTech Solutions, Inc. acquisition.

As guided on the last conference call, TMS had an operating profit for the first time in the fourth quarter of 2005, with operating margins of 1.8 percent. TMS had a loss of \$3.1 million in 2005, down from a loss of \$6.0 million in 2004. The company expects TMS to continue to be profitable in 2006.

Portfolio Technologies

Portfolio Technologies revenue was \$9.8 million, compared to revenue of \$8.9 million in the fourth quarter of 2004. Portfolio Technologies revenue for 2005 was \$37.2 million, up 10.5 percent from the prior year.

Portfolio Technologies operating margins were 15.5 percent in the quarter, compared to 11.6 percent in the fourth quarter of 2004, due to higher revenues and product mix. For 2005, operating margins were 13.9 percent, compared to 14.4 percent in 2004.

Non-GAAP Net Income and Earnings Per Share

Non-GAAP net income for the fourth quarter of fiscal 2005 was \$16.2 million, up 56 percent compared to non-GAAP net income of \$10.4 million in the fourth quarter of fiscal 2004. Non-GAAP net income for 2005 was \$81.2 million, up 50 percent from non-GAAP net income of \$54.1 million in the prior year.

Non-GAAP earnings per share for the fourth quarter of fiscal 2005 were \$0.29 up approximately 52.8 percent from \$0.19 per share in the fourth quarter of 2004. This excludes the \$9.3 million deferred gain on the Caterpillar joint venture. Non-GAAP earnings per share for 2005 were \$1.43, up 45 percent when compared to non-GAAP earnings per share of \$0.98 in 2004.

GAAP and non-GAAP earnings per share for the fourth quarter of 2005 were calculated on a diluted basis using approximately 56.9 million shares. For the full year 2005, 56.8 million shares were used.

Forward Looking Guidance

In the first quarter of 2006 the Company expects revenue to grow 10 to 13 percent, with revenue between \$215 and \$221 million. At a 34 percent tax rate, with 57.5 million shares outstanding, the Company expects first quarter 2006 GAAP earnings per share between \$0.32 and \$0.35 cents.

The above GAAP guidance includes stock-based compensation, which the Company will begin accounting for in the first quarter of 2006 with the implementation of SFAS 123R. On a post-tax basis, the Company expects stock-based compensation for the first quarter of 2006 to be \$2.1 million, or approximately \$0.04 per share. For comparative purposes, in the first quarter of 2005 the pro forma stock-based compensation expense was \$2.4 million, or \$0.04 per share.

Using a 34 percent tax rate - excluding the amortization of intangibles of \$1.7 million and the impact of stock-based compensation - the Company expects non-GAAP earnings per share between \$0.38 and \$0.41.

Going forward, the Company will be using the same tax rate for GAAP and non-GAAP guidance.

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.

The Company excludes the recognition of the deferred gain from its Caterpillar joint venture, in-process research and development charges, amortization of purchased intangibles, restructuring charges, the amortization of acquisition related inventory step-up charges, and revaluation of minority investments in computing non-GAAP measures because the chief executive officer excludes these items when budgeting and evaluating the business. These non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results. Please see the supplemental financial statements, attached to this press release, for a reconciliation of GAAP to non-GAAP results.

Investor Conference Call / Web cast Details

The Company will hold a conference call on January 24, 2006 at 1:30 p.m. PT to review its fourth quarter and

year-end 2005 results. It will be broadcast live on the Web at www.trimble.com/investors.shtml. A replay of the call will be available for seven days beginning at 8:00 p.m., PT. The replay number is (800) 642-1687 (U.S.), or (706) 645-9291 (international), and the pass code is 4438758.

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, agriculture, machine guidance, asset and fleet management, 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.

Certain statements made in this press release are forward-looking statements within the meaning of 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, operating margins, effective tax rate, stock based compensation, amortization of purchased intangibles and earnings per share estimates for the first fiscal quarter of 2006. 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, 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. Fuel and other operating costs could remain high or increase, which could further weaken sales into the agricultural market. In addition, the Company's results may be adversely affected if the growth rates and profitability expectations for its mobile solutions segment are not achieved, or its joint ventures and recent acquisitions do not achieve anticipated results, or if the Company is unable to market, manufacture and ship new 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 2006 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](#)
- [EBITDA Reconciliation](#)

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