

focused on performance



2000 highlights

Trimble's significant growth areas:

- 45% growth in GPS-enabled precision agriculture
- 30% unit growth for our CrossCheck™ mobile GPS wireless devices
- 20% growth in GPS-enabled construction machine guidance systems

Trimble's new product introductions, such as:

- FirstGPS™ technology for mobile platforms
- Virtual Reference Station (VRS™) for precision positioning
- CrossCheck™ GSM mobile communicator for fleet management
- TerraSync™ software for Geographic Information Systems (GIS) data management
- LaserStation™ System for one-person construction layout
- Trimble™ 5600 DR 200+ for long-range reflectorless surveying

Trimble's contract wins, such as:

- Zurich International Airport for permanent reference station
- China's Ministry of Railways for survey
- Britain's Royal Automobile Club for vehicle safety
- Digicore Holdings Inc. in South Africa for fleet management

Trimble's reorganization of its management team around four key growth markets:

- Component Technologies
- Agriculture
- Engineering & Construction
- Fleet and Asset Management

Trimble's two strategic acquisitions:

- Spectra Precision Group, which catapulted Trimble to # 1 in Engineering & Construction
- Tripod Data Systems, a leading developer of data collection software for Land Survey, Construction and GIS

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 2,200 employees in more than 20 countries worldwide.

financial highlights

Fiscal Year Ended

2000

1999

1998

(in thousands except per share amounts)

Operating Data:

Net revenue	\$369,798	\$271,364	\$268,323
EBITDA	\$ 54,295	\$ 29,534	\$ (11,404)
Net income (loss)			
from continuing operations	\$ 31,135 ⁽¹⁾	\$ 18,662	\$ (27,335)
Diluted net income (loss) per share			
from continuing operations	\$ 1.20 ⁽¹⁾	\$ 0.82	\$ (1.22)

Balance Sheet Data:

Cash, cash equivalents, and short-term investments	\$ 40,876	\$101,992	\$ 57,134
Working capital	\$ (10,439)	\$111,808	\$ 81,956
Total assets	\$490,504	\$181,751	\$156,279
Notes payable, other noncurrent liabilities, less current portion	\$151,783	\$ 33,821	\$ 31,640
Shareholders' equity	\$134,943	\$100,796	\$ 74,691

This document may contain forward-looking statements based on current expectations that involve a number of risks and uncertainties. Other potential risks and uncertainties that could cause actual results to differ materially are included in the SEC filings, including Form 10-K and Form 10-Q, for Trimble.

⁽¹⁾ Adjusted for certain one-time and acquisition-related charges.

letter to our shareholders

Overall, the year was one of progression that combined strategic and organizational advances with some operational challenges. In this letter, I would like to review the year and set forth some goals for 2001 and beyond.

Strategic Progress

During 2000, we took a number of steps to implement the strategy we articulated in late 1999.

The most significant step was the acquisition of Spectra Precision in July. The acquisition established Trimble as the market leader for positioning solutions in our largest segment, Engineering and Construction. This market began consolidating several years ago, and the trend accelerated during 2000 as the three leading participants each made strategic acquisitions. At the beginning of the year, Trimble had a significant position in the GPS segment of the construction market but did not have a full set of positioning technologies to offer the customer. The acquisition of Spectra Precision both solidifies our leadership and enables us to bring complete solutions to our customers. Looking to the future, our strengthened worldwide distribution capability and deep applications insight enable us to bring new applications, such as fleet management, to our construction industry customers. We also acquired Tripod Data Systems (TDS) late in the year. TDS provides us with a source of low-cost, rugged, hardware platforms that may be used in many of our businesses and add significant software resources that will accelerate our product development process.

Another event with long-term implications is the opening of our Colorado applications center. Recruiting the best employees has always been integral to Trimble's success. This move provides significant benefits, including cost savings and enhanced flexibility in recruiting and retaining employees. While we are committed to maintaining a strong technical presence in northern California, we expect to relocate cost-sensitive elements of the business away from California over time.

Early in 2001, we announced our intention to divest our commercial aviation business to Honeywell and to shut down our manufacturing facility in Austin. As of March 2001, the divestiture has been completed. This move is consistent with our continuing effort to reshape our business and product portfolio around our targeted markets.

Operations

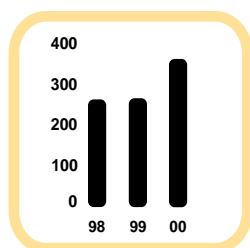
Our operational challenges in 2000 had two primary, related elements.

The first was the limited supply of electronic components, particularly those required in the wireless and computer industries. We saw the lead times of many components extend from a few days to over 300 days.

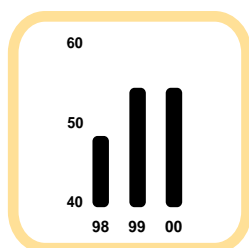
These component shortages occurred simultaneously with the implementation of our prior decision to outsource all of our Sunnyvale-based manufacturing to Solectron. The move to contract manufacturing is a major transition for any company, one that is accompanied by the need to re-evaluate processes, accountabilities, and reporting. The convergence of these two events compromised our ability to meet the demand for our products.

In the fourth quarter, we established a senior management task force with Solectron to explore the mechanisms for improving both short-term and long-term performance. We demonstrated significant improvement in the fourth quarter and expect the trends to continue to improve as we attack the root causes of the problems.

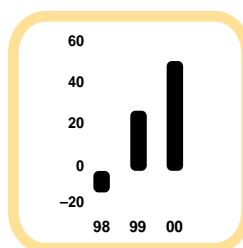
in millions except for earnings per share



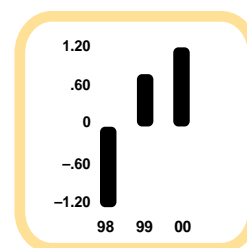
Revenue



Gross Margin



EBITDA



Adjusted EPS
Adjusted for one-time and
acquisition-related charges.

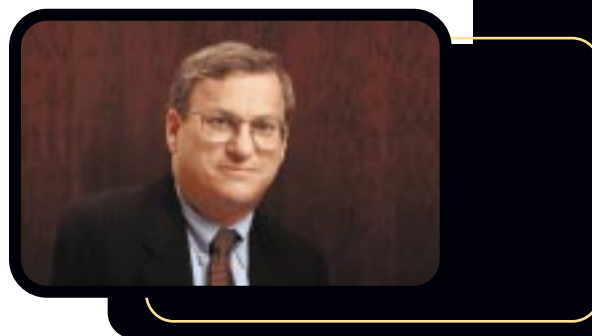
Strategic Direction

Our fundamental goal as a company is to achieve the potential inherent in our employees, our technology, and our products. Going forward, our goals are to:

- Achieve greater penetration in today's core business of providing value-added positioning solutions to commercial and professional users. Trimble's development as a company has, to a large extent, derived from the combination of accurate and reliable GPS with software and other capabilities to create high-value solutions to businesses and professionals. Current examples include land surveying, machine guidance, Geographic Information Systems (GIS), and fleet management. These applications will continue to provide the basis of growth and profitability.
- Play a leading role in the wireless markets for positioning. We believe that the further improvements of GPS in cost, power, and robustness will enable GPS to become a standard feature in a wide array of both existing and future mass market platforms. For example, we believe that GPS will become a standard element of cell phones. We also believe that the market penetration will be progressive over the next few years as GPS capabilities are developed to conform to the needs of the industry. We are committed to providing the technical leadership necessary to accomplish this task.
- Become a leading participant in the market for "location-based services." As mobile platforms proliferate, major opportunities exist for providing Internet-accessible services. We believe that a significant portion, if not the majority, of those services will utilize location as the foundation of the service. They may take many forms ranging from locating the nearest fast food restaurant to tracking delivery vans around a city. We already participate in the industry as a major provider of combined GPS and wireless modules. We believe that we have a significant opportunity to provide additional value and accelerate the development of the market by bundling a package of hardware, software, and Internet-based services.
- Show clear evidence that the acquisition of Spectra Precision is working. This should include an accelerated flow of new products, cost synergies, and evidence that we are enhancing our leading position in the market place. Later in the year, we should be able to show that we can accelerate the growth rate in this business by emphasizing new applications such as machine guidance and fleet management.

Although we anticipate that 2001 will be a challenging economic environment, we believe there are opportunities in the Company's existing and new markets to drive significant customer and revenue growth that in turn generates sustained earnings volume.

I would like to thank our shareholders, customers, partners, and dedicated employees for their continued support this past year.



A handwritten signature in black ink that reads "Steven W. Berglund". The signature is written in a cursive style.

Steven W. Berglund
President and Chief Executive Officer

Trimble's competencies focused on performance

Trimble is building on its success by focusing on three key technologies: positioning, information, and communication. In fact, these three primary elements of our business are reflected in Trimble's new logo: the triangle and the globe represent the three elements of the Company's position-centric solutions and their global nature. These technologies enable Trimble to create new applications and solve new problems, generating growth for the Company and value for the shareholders.



Trimble provides value in many different ways

Product Categories	Application Examples							
	Machine Guidance	Precision Farming	Construction Stake-out	Geographic Information System	Fleet Management	Network Timing Synchronization	In-vehicle Navigation	Cell Phones
Commercial Solutions	•	•	•	•	•			
Services					•			
Infrastructure						•		
Consumer Products							•	•

Positioning technologies for a variety of requirements

Application	Water Management	Construction, Survey, Machine Guidance	Precision Farming, Asset Management	Fleet Management, In-vehicle Navigation, Cell Phones, PDAs
Technology	Rotating Lasers, RTK GPS	RTK GPS, Optics	Differential GPS	Autonomous GPS
Position Accuracy	1mm-2cm	1-5cm	10cm-1m	>10m

Focused on positioning

Trimble delivers a variety of complementary positioning capabilities, including GPS, optical, and laser technologies. There have been significant advancements in GPS over the past five years, and Trimble has consistently responded quickly and effectively, including 479 patented technologies for a variety of applications. GPS technology will continue to play an important role in our growth in key emerging applications such as personal digital assistants (PDAs), cell phones, and other wireless devices.

Trimble's technology is ideal for a wide range of uses in a variety of different markets requiring different attributes. In agriculture, for example, drip tape buried underneath crops can be precisely set and cultivation guided by highly accurate GPS can be performed while leaving the drip tape undisturbed. This can save significant time and money by enabling the irrigation system to remain in place for several years. Trimble GPS is also used in a number of consumer applications, such as navigation systems for Mercedes-Benz, BMW, Honda, Renault, and Audi.

During 2000, the fundamental GPS solution was made more robust by the removal of Selective Availability by the U.S. government, significantly improving the unaided accuracy of the GPS solution from a football field-sized area to a garage-sized area. This has improved, for example, the ability of fleet managers to locate lost or stolen cargo.

Through our acquisition of Spectra Precision, Trimble now offers a much more complete suite of positioning offerings than ever before, including optical and laser solutions. Optical technology is ideal for applications requiring an accurate source of position without a view of the sky, while rotating lasers provide a convenient level measurement with high accuracy over significant distance. Together, these technologies provide the positioning component required for the automation of future construction sites.

Focused on information

Information represents the foundation for Trimble's position-centric solutions. Trimble is building on this foundation to deliver enhanced solutions that link position with data collection to create useable, relevant information. For example, our CrossCheck series of products for fleet management includes the intelligence to send only the predetermined alarms, position data, or condition information that the user has requested.

The acquisition of TDS reinforced our position as a provider of information solutions for Engineering and Construction and, in a more general sense, extended our company-wide information capabilities. While TDS' traditional focus has been on writing software for the collection of position data, they are now creating software for new data collection application areas such as the cable television market. In addition, expanding on this foundation enables Trimble to significantly improve our capabilities in each of our primary growth markets.

Dramatic efficiency improvements result when information about the job at hand is associated with its position. The owner of a delivery vehicle can now discover technical problems on the truck that otherwise may have gone unnoticed, putting the driver or cargo at risk. The same owner can also track stolen vehicles, recovering not only the truck, but the cargo as well, based on the route of the stolen truck. Position-based information also helps in a variety of consumer applications. In Japan, for example, Trimble GPS technology in Seiko Epson's PDA allows users to query and find restaurants that serve a specified cuisine within walking distance of the user, and then provides directions to the chosen restaurant.

Focused on communications

Communications provide the real-time wireless link to information in Trimble's solutions. Trimble is already helping to advance communications infrastructure technology through the provision of cost-effective precise time synchronization and will continue to provide major contributions that will enable new, more robust applications. In positioning, the FirstGPS chipset achieves the lowest power consumption in the industry by offloading non-real-time tasks to external processors, making it ideal for integration with communication devices such as cell phones.

Advancements in communications promise to revolutionize productivity in the engineering and construction, agriculture, and GIS markets. One critical advantage communication provides is the delivery of real-time GPS corrections that generate decimeter- and centimeter-level position solutions. Also, many of the current on-site applications will be enhanced by the addition of data communication links. This will eliminate delays in the transmission of needed information, reduce the probability of errors in the transmission, and enable everyone with a need to access the information to do so in real time. Over the past year, Trimble developed a system with Caterpillar that integrates a series of radios to create a wireless data network for immediate access to critical information.

Wireless communication is critical to fleet management applications and potentially enhances the more general category of asset management significantly. The primary challenge to enabling many of the applications of the future will be the cost of communications, both the cost of the hardware itself and the cost of providing the communications service on the frequency demanded by the application. As the costs of both communication services and the hardware itself decline, the number of applications is expected to grow significantly. These advantages are already being seen in organizations like Chicago's 911 emergency service system, in which Trimble plays a critical role by communicating real-time vehicle positioning to the 911 dispatch center for emergency response within minutes.

Focused on key growth markets

When GPS technology was in the early stages of development, Trimble concentrated on areas where our high-precision capabilities added the most value to our customers, and which generated early profits for the Company. As both the market and Trimble's technology evolved, we expanded our offerings to encompass a wide variety of GPS-related products. In 1999, Trimble chose to focus on the market areas that provide the best opportunity for future growth, profitability, and sustainable leadership positions. This led to the establishment of four strategic business areas: Fleet and Asset Management, Agriculture, Component Technologies, and Engineering and Construction.

Fleet and Asset Management

Traditionally, fleet management applications have focused on public safety. Today, there is an increasing need for services such as vehicle fleet management systems that can deliver relevant, cost-effective information. Key applications for this technology include the transmission of vehicle problems for immediate corrective action, route management tools for operators and managers, and fleet security solutions such as vehicle and load theft recovery. To address these new opportunities and improve the robustness of the business, Trimble has expanded its Fleet Management business model to include enhanced application software and services content. In the area of fixed assets, Trimble's solid foundation in GIS data collection products continues to make Trimble the choice for data collection and utilization systems. These systems help urban managers digitize asset locations and conditions and use that data for relocation and maintenance of those assets.

"Trimble's system saved us valuable time, and we were able to respond in 80 seconds, saving a young boy's life. That's when seconds really count."

Joe Frasier

Dispatcher
Phoenix Fire Department



Agriculture

Trimble's strength as a technical innovator and our ability to provide support, service, and application-specific customizable software content have put us at the forefront of the rapidly growing agriculture market. Our Agriculture Division offers innovative field and water management, machine guidance, and control systems, as well as laser-based systems for land leveling and subsurface drainage. In the agriculture market, there is an increasing demand for information and guidance solutions that allow people and equipment on farms to be more efficient. Positioning is playing a large role in agricultural applications, from ground preparation to harvesting and overall farm management. Trimble's advanced positioning components and systems benefit farmers and agri-businesses through significantly improved machine efficiencies, better yields, and improved information availability for better decision making.

"With Trimble Parallel Swathing, we're getting something back: hours and accuracy, and that saves us money."

Leo Metzger

Partner
Metzger Brothers Farms (one of Ohio's largest farms, with more than 5,000 acres)



Component Technologies

As a worldwide leader in GPS technology, Trimble provides GPS boards, modules, chipsets, and technology licenses to major original equipment manufacturers (OEMs) around the world. Our customers use Trimble components and technology to add positioning functionality to their business and consumer products, including automobile navigation systems, PDAs, cell phones, and many other applications, making their products more capable and more successful. Through advancements in this technology, we are focused on making position ubiquitous for both consumer and commercial applications on as many platforms as possible by providing the best value in low-cost, low-power GPS technology. Trimble is also the leading choice for GPS timing technology to the growing area of synchronizing wireless networks, such as the cellular infrastructure and computer networks.

"Trimble's Acutime™ II smart antennae's ability to synchronize our networks, down to the microsecond, is critical for us and its proven reliability is just as critical. Neither Glenayre nor our customers can afford downtime."

Tom Oliver

Product Manager for Glenayre GL-C2000 base station controllers

Glenayre (the world's leading supplier of infrastructure components to the wireless communications industry)



Engineering and Construction

Trimble is the worldwide leader in the engineering and construction market, offering "concept to completion" solutions that include GPS and optical total station survey systems, construction lasers, machine control systems, and software. The addition of Spectra Precision's positioning solutions to Trimble's GPS expertise propelled us to number one in the engineering and construction market in 2000. Nevertheless, the construction site of today has not benefited as much from the information age as have other industries such as banking and manufacturing. From site design to earth moving, this market still relies heavily on paper documentation and traditional technology. The newly emerging integration of positioning, design information, and communication technologies linking the field and office together will provide significant efficiencies to the construction site. By combining these technologies in a more complete solution, Trimble has the unique opportunity to transform the industry from users of tools to beneficiaries of position-centric information systems.

"Using GPS increased the speed, precision, and economy of our entire operation. GPS also reduced the complexity and specialization of the equipment normally required for each phase of this complex project. We couldn't have done it without Trimble GPS."

Doug Wrock

Survey Manager

Modern Continental Construction
Boston's Big Dig project, the Fort Point Channel Crossing



Executive Officers

Steven W. Berglund
President and Chief Executive Officer

Mary Ellen Genovese
Chief Financial Officer

Ron C. Hyatt
Sr. Vice President, General Manager
Agriculture Division

Michael W. Lesyna
Vice President, General Manager
Mobile Positioning & Communications Division

Karl G. Ramstrom
Sr. Vice President, General Manager
Engineering & Construction Division

Alan R. Townsend
Vice President, General Manager
Mapping & GIS Division

Dennis L. Workman
Vice President, General Manager
Component Technologies Division

William C. Burgess
Vice President
Human Resources

David M. Hall
Sr. Vice President
Marketing & Business Development

John E. Huey
Treasurer

Irwin L. Kwatek
Vice President & General Counsel

Bonnie L. Lemon
Corporate Controller

Bruce E. Peetz
Vice President
Advanced Technology & Systems

Board of Directors

Robert S. Cooper, Ph.D., Chairman
Atlantic Aerospace

Steven W. Berglund
Trimble Navigation Limited

John B. Goodrich, Secretary
Wilson, Sonsini, Goodrich & Rosati

William Hart
Technology Partners
West Fund Ltd.

Ulf J. Johansson, Ph.D.
Europolitan Holdings AB

Bradford W. Parkinson, Ph.D.
Stanford University
Hansen Labs

Shareholder Information

Corporate Headquarters:

Trimble Navigation Limited
645 N. Mary Avenue
Sunnyvale, California 94088-3642
Phone: (408) 481-8000
Phone: (800) 827-8000
Fax: (408) 481-2218

Corporate Counsel:
Wilson, Sonsini, Goodrich & Rosati
Palo Alto, California

Independent Auditors:
Ernst & Young LLP
Palo Alto, California

Transfer Agent & Registrar:
Mellon Investor Services
San Francisco, California
Phone: (800) 589-9836
<http://www.mellon-investor.com>

Investor Relations group:
Morgen-Walke Associates, Inc.
New York, NY

Additional Information

Further copies of the Company's annual report on 10-K, as filed with the Securities Exchange Commission, will be furnished upon request to Investor Relations at Trimble corporate headquarters.

Trimble Investors Information:
Traded: The NASDAQ Stock Mkt.
Symbol: TRMB
Closing price for year-end: \$24.00
Closing year range: \$18.00-\$62.812

Trimble's Web Site:
<http://www.trimble.com>
Annual Meeting: May 10, 2001



Trimble Locations Worldwide

Corporate Headquarters

Trimble Navigation Limited
645 North Mary Avenue
Sunnyvale, CA 94088-3642
Phone: 408-481-8000
Fax: 408-481-6860

Operations

Spectra Precision Software
5901 Peachtree Dunwoody Road NE
Suite A300
Atlanta, GA 30328-5548

Tripod Data Systems
345 SW Avery Avenue
Corvallis, OR 97333

Trimble Engineering
& Construction Division
5475 Kellenburger Road
Dayton, OH 45424-1099

Trimble Navigation Colorado
7403 Church Ranch Boulevard
Suite 100
Westminster, CO 80021

Spectra Precision terraSat
Haringstrasse 19 D-85635
Hohenkirchen-Siegertsbrunn
Germany

Trimble Jena GmbH
Carl-Zeiss Promenade 10
D-07745 Jena
Germany

Trimble Kaiserslautern GmbH
Am Sportplatz 5, D-67661
Kaiserslautern
Germany

Trimble AB
Box 64, Rinkebyvagen 17
182 11, Danderyd
Sweden

Trimble Navigation New Zealand
Limited
11 Birmingham Drive
P.O. Box 8729
Riccarton, Christchurch
New Zealand

International Sales Centers

Asia Region

Trimble Australia
Level 1/123 Gotha Street
Fortitude Valley QLD 4006
Australia

Trimble China
Suite 16D, Building 2, Epoch Center
4 Beiwa Road, Haidian District
Beijing, P.R.
China, 100081

Trimble Japan
Shin-Ohashi Riverside Building 101
1-8-2, Shin-Ohashi Kohtoh-ku
Tokyo 135-0007
Japan

Trimble Singapore
88 Marine Parade Road
22-06, Parkway Parade
Singapore 449269
Singapore

European Region

Trimble Austria
Linke Wienzeile 110
A-1060 Vienna,
Austria

Trimble Belgium
Oostjachtpark 9
Sint-Niklaas, 9100
Belgium

Trimble France
Parc Hightec VI
9, avenue de Canada
Les Ulis 91966 Courtabeuf
Cedex
France

Trimble GmbH
Am Prime Parc 11
D-65479 Raunheim
Germany

Trimble Italy
Largo Temistocle Solera, 7
00199 Rome
Italy

Trimble Netherlands
Prof. Dr. Dorgelolaan 20
5613 AM Eindhoven
Netherlands

Trimble Russia
23, 1st Tverskaya-Yamskaya St.
Moscow, 125047
Russia

Trimble Spain
Via de las Dos Castillas No. 33
Atica. Edificio 6. Despacho B-2
28224 Pozuelo de Alarcon
Madrid
Spain

Trimble U.K.
Trimble House
Meridian Office Park
Osborn Way, Hook
Hampshire RG27 9HX
England

Latin America Region

Trimble Latin America
6505 Blue Lagoon Drive
Suite 120
Miami, FL 33126

Trimble Mexico
Insurgentes Sur 800-Piso 8
Col. del Valle
03100 Mexico D.F.