



2014 Annual Report

Transforming the way the world works



To Our Shareholders

We had varying performance across our business portfolio in 2014, with lower results than the historical Trimble performance standard, primarily due to weakness in the Field Solutions segment driven by agriculture. The rest of the company, outside of the Field Solutions segment, demonstrated growth and improved financial performance. Across the company, 2014 was a year of significant strategic development from both a solution-set and go-to-market perspective.

Trimble's revenue grew 4.7 percent for the year, well below our average of 15.5 percent for the ten-year period of 2003–2013. The most challenging factor in the year was the severe condition of the agricultural market, which was characterized by sharp declines in commodity prices. This, in turn, led to a pullback in investments by farmers and lowered our sales. Although we have been historically resistant to agricultural cyclical downsides because we are selling “productivity” and not “capacity,” the extreme conditions caused a sharp decline in our Field Solutions segment revenue, which was down 10.9 percent compared to 2013.

The rest of the company, excluding the Field Solutions segment, grew by 8.8 percent, most of which was organic. The growth profile was substantially stronger in the first three quarters of the year and was impacted in the fourth quarter by exchange rates, the oil price decline and difficult year-to-year comparisons to the fourth quarter of 2013. Our non-GAAP operating margin slid to 20.0 percent in 2014 from 20.7 percent in 2013, primarily due to the effects of the Field Solutions segment. However, the rest of the company, excluding Field Solutions, did maintain the tradition of non-GAAP operating margin improvement.

The “bad news/good news” effect of the differential performance within the company is that Trimble has rapidly

become less reliant on agriculture for its margin performance. Over the last two years, the share of total company non-GAAP operating income from the Field Solutions segment has declined from 47 percent to 29 percent in 2014. The “bad news” is that the Field Solutions segment's non-GAAP operating income has declined by 25 percent over two years. The “good news” is that the rest of the company has grown by more than 60 percent in the same period.

Although the agricultural cyclical effect is dominating Trimble's current picture, it is not the complete story. The short-term impact is disguising some strong secular trends that provide the foundation for long-term growth. These trends are enabled by Trimble's ambitious corporate self-definition, which focuses on creating transformational changes in work flows in vertical markets through the application of technology.

One of these transformational changes is within agriculture. Farming's future will increasingly be tied to using information to make informed decisions in all phases of the farm cycle—from crop planning through harvest. Our response to this challenge is what we call Connected Farm™ solutions. The Connected Farm will require competencies in precision positioning, discrete sensors, sensor fusion, wireless communication, data architectures, analytics and the ability to apply the

decisions in the field. It will lead to an altered business model for Trimble, which will be based on growing service revenue. Despite the current pressure on our agricultural profitability, we have continued to invest in a robust development program. Trimble has a unique combination of capabilities with significant competencies across the required technological range as well as significant and growing domain knowledge. We extended our market presence during 2014 with the introduction of irrigation solutions to the Connected Farm.

The same type of industry transition is occurring in construction, although probably at a faster rate. Construction represents a significantly larger market than agriculture and is inherently more complex. Evidence is growing that project savings of up to 30 percent are possible through the holistic application of technology in the construction work process. Trimble's unique contribution to this change is built around a core unifying concept we call the "constructible model," which is a much richer and robust concept than traditional geometric models. Trimble's uniqueness also derives from our ability to convert the model intelligence into practical hardware solutions through tight integration.

During 2014 we significantly extended our ability to bring the constructible model to market with the acquisitions of Gehry Technologies and Manhattan Software. Gehry Technologies provides us both collaborative software tools and professional services resources. The professional services capability will become increasingly important as it will allow us to manage the complexity of integrating multiple technologies on a construction project. Manhattan Software provides us with facilities management software capability and enables a hand-off at the end of a project, allowing the constructible model to become the foundation of a facilities operating model.

The third example of technology-enabled transformation is that of transportation and logistics. The transportation industry can be broadly characterized as under pressure from tight margins and growing regulatory requirements. Technology is an essential element in improving productivity, reducing costs and meeting compliance requirements. Trimble provides solutions at both the mobile and the enterprise level. The mobile element is centered on fleet management, whereas the enterprise solution is focused on the transactions needed to run the transportation business.

Multiple examples of these types of transformation allow us to continue to believe in Trimble as a company with access to a significant unpenetrated addressable market. During the first half of 2015 we anticipate we will face some headwinds that will temporarily impact our underlying growth profile, including the stronger U.S. dollar, oil price declines and accounting effects from recent acquisitions. We expect these effects will dissipate in the second half and the business outlook will progressively improve during 2015, better reflecting the underlying growth dynamics in many areas of the company.

This transformation is worldwide and our access to international markets remains a key to our success. Although we already have an international profile, with more than 50 percent of 2014 revenue outside the U.S., we expect to accelerate our efforts to penetrate markets outside of our traditional comfort zone.

We expect 2015 to be a rich year for new products, many of which will be market extenders or penetrators. Trimble Leap™ and the R1 GNSS receiver both fall in that category. They are in the "bring your own device" category, which has the potential to democratize, and grow, a number of Trimble's existing markets. They combine a low-cost, high-accuracy GNSS receiver with Trimble software that pairs directly with smartphones and tablets. High accuracy is achieved with real-time corrections from Trimble's ViewPoint RTX™ service. Potential users include an expanded universe of GIS users as well as existing and new users in construction and land administration. Although these examples are not necessarily the most significant revenue producers, they do provide a sense of the incredibly active technology environment in which Trimble is participating.

Trimble continues to maintain a strong financial position. We are leveraging strong operating cash flows and our balance sheet to invest internally and through strategic acquisitions that add value to the overall portfolio. Deferred revenue increased to a record level in 2014, reflecting continued changes in the mix of our revenue toward software and subscription offerings, and we expect this trend to continue. In the fourth quarter, we were pleased to complete a \$400 million investment grade senior notes offering, which effectively extends the term for a portion of our debt that we believe to be long-term in nature. The demand for the offering was a clear indication of the market view of the company's strategic and financial strengths.

We continue to pursue a very ambitious path. We stumbled in 2014 and will face challenges in early 2015, but remain fixed on value creation through our basic goals of:

- Breakout market leadership—achieved by leading transformations in our markets;
- Top-tier financial performance—focused on revenue growth, incremental margin performance and return on equity;
- A new standard of excellence that transcends best current practices—focused on following a unique path emphasizing "always better."

Once again I thank the Trimble employees for their continued competency, commitment and loyalty.

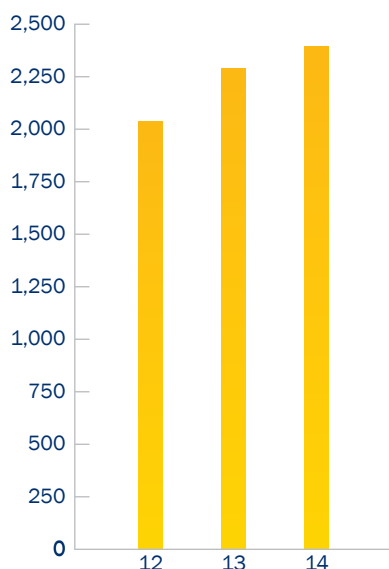


Steven W. Berglund
President and Chief Executive Officer

Financial Highlights

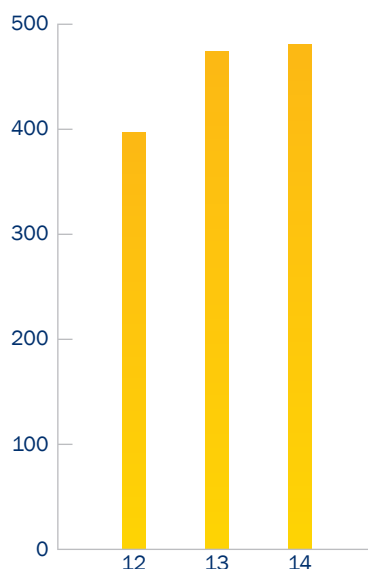
REVENUE

in US \$ millions



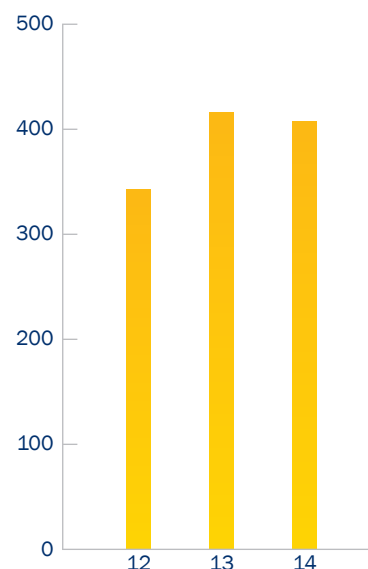
NON-GAAP OPERATING INCOME

in US \$ millions



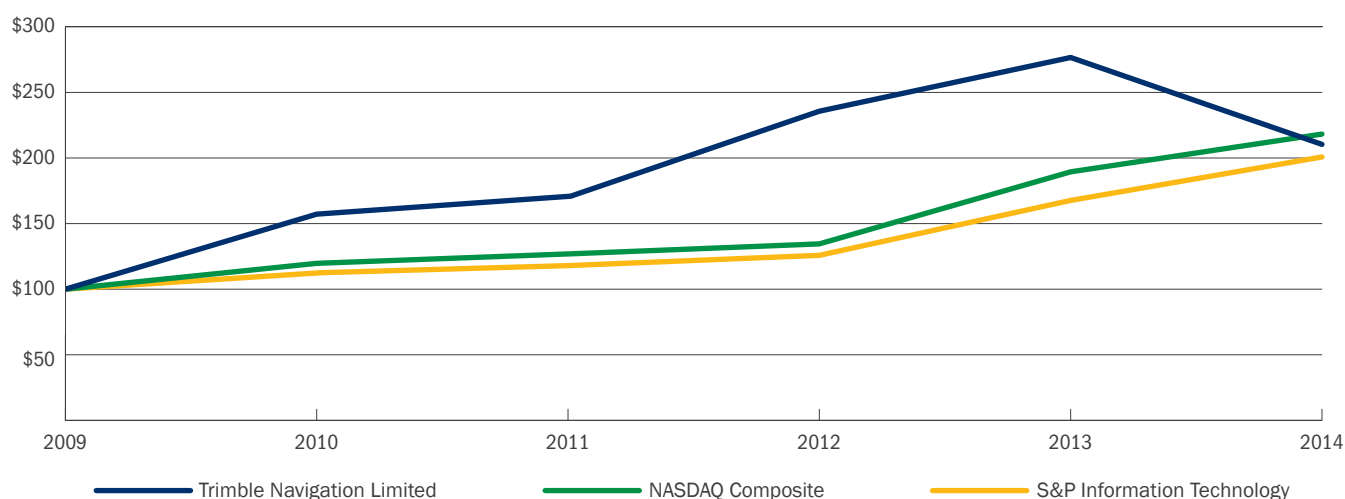
CASH FLOW FROM OPERATIONS

in US \$ millions



COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN*

Among Trimble Navigation Limited, the NASDAQ Composite index and the S&P Information Technology index.



The above graph compares the cumulative 5-year total return provided shareholders on Trimble Navigation Limited's common stock relative to the cumulative total returns of the NASDAQ Composite index and the S&P Information Technology index. An investment of \$100 (with reinvestment of all dividends) is assumed to have been made in our common stock and in each of the indices on 12/31/2009 and its relative performance is tracked through 12/31/2014. The Company has never paid dividends on its common stock and has no present plans to do so.

*The Company adopted a 52-53 week fiscal year effective upon the end of fiscal year 1997 and the actual date of the Company's 2014 fiscal year end was January 2, 2014. Any variations due to any differences between the actual date of a particular fiscal year end and the calendar year end for such year are not expected to be material.

Management Information

EXECUTIVE MANAGEMENT

Steven W. Berglund
President and Chief Executive Officer

Francois Delepine
Chief Financial Officer

Bryn A. Fosburgh
Vice President

Christopher W. Gibson
Vice President

Mark A. Harrington
Vice President

Jürgen Kleim
Vice President

James M. Veneziano
Vice President

J. Erik Arvesen
Vice President, Geospatial Division

Roz Buick, Ph.D.
Vice President, Heavy Civil
Construction Division

Joseph F. Denniston, Jr.
Vice President, Agriculture Division

Christopher J. Shephard
Vice President, OEM Solutions
and Mining Division

Douglas R. Brent
Vice President, Technology Innovation

Ann M. Ciganer
Vice President, Strategic Policy

John E. Huey
Vice President, Treasurer

Prakash Iyer
Vice President, Software
Architecture and Strategy

James A. Kirkland
Vice President, General Counsel

Leah K. Lambertson
Vice President, Operations
and Chief Information Officer

Michael Lesyna
Vice President, Strategy
and Corporate Development

Julie A. Shepard
Vice President, Finance
and Chief Accounting Officer

Jerry W. Lo
Vice President, Tax

BOARD OF DIRECTORS

Ulf J. Johansson, Ph.D
Chairman
Business Consultant and
Director, Telefon AB LM Ericsson

Nickolas W. Vande Steeg
Vice Chairman
Chairman, University of APU
Chairman, Bedrock Creek
Director, Gardner Denver Inc.
Director, Wabtec Corporation

Steven W. Berglund
President and Chief Executive Officer

John B. Goodrich
Secretary
Business Consultant

Merit E. Janow
Dean, School of International
and Public Affairs, and Professor
of Practice Columbia University

Ronald S. Nersesian
President and Chief Executive Officer,
Keysight Technologies

Mark S. Peek
Chief Financial Officer, Workday



LOCATIONS

Australia
Austria
Belgium
Brazil
Canada
Chile
China
Denmark
Finland
France
Germany
Ghana

Hong Kong
Hungary
India
Indonesia
Ireland
Italy
Japan
Korea
Lithuania
Malaysia
Mexico
Netherlands

New Zealand
Russia
Saudi Arabia
Singapore
South Africa
Spain
Sweden
Switzerland
Thailand
United Arab Emirates
United Kingdom
United States of America

CORPORATE HEADQUARTERS

Trimble Navigation Limited
935 Stewart Drive
Sunnyvale, California 94085
+1 (408) 481-8000
www.trimble.com

SHAREHOLDER INFORMATION

Independent Auditor

Ernst & Young LLP
San Jose, California

Transfer Agent & Registrar

American Stock
Transfer & Trust Company
6201 15th Avenue
Brooklyn, New York 11219

+1 (800) 937-5449
www.amstock.com
info@amstock.com

Investor Relations Contact

+1 (408) 481-7838
investor_relations@trimble.com

ADDITIONAL INFORMATION

The Company's annual report on Form 10-K, as filed with the Securities Exchange Commission, accompanies this annual report to shareholders and is also available on the Investor Relations section of the Company's website at www.trimble.com

TRIMBLE INVESTOR INFORMATION

Traded: The NASDAQ Stock Exchange
Symbol: TRMB