TRIMBLE NAVIGATION LTD /CA/
Form 10-K
February 25, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 3, 2014

OR

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-14845

TRIMBLE NAVIGATION LIMITED
(Exact name of Registrant as specified in its charter)

California	94-2802192
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
935 Stewart Drive, Sunnyvale, CA	94085
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (408) 481-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which stock registered
Common Stock	NASDAQ Global Select Market
Preferred Share Purchase Rights	NASDAQ Global Select Market
(Title of Class)	

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ¨ No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer	ý	Accelerated Filer	¨
Non-accelerated Filer	o (Do not check if a smaller reporting company)	Smaller Reporting Company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No ý

As of June 28, 2013, the aggregate market value of the common stock held by non-affiliates of the registrant was approximately $6.7 billion based on the closing price as reported on the NASDAQ Global Select Market. Shares of common stock held by each officer

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and director of the registrant have been excluded in that such person may be deemed to be an affiliate. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 20, 2014
Common stock, no par value	259,844,137 shares

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DOCUMENTS INCORPORATED BY REFERENCE

Certain parts of Trimble Navigation Limited's Proxy Statement relating to the annual meeting of stockholders to be held on May 8, 2014 (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K.

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are subject to the "safe harbor" created by those sections. The forward-looking statements regarding future events and the future results of Trimble Navigation Limited ("Trimble" or "the Company" or "we" or "our" or "us") are based on current expectations, estimates, forecasts, and projections about the industries in which Trimble operates and the beliefs and assumptions of the management of Trimble. Discussions containing such forward-looking statements may be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations." In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "could," "predicts," "potential," "continue," "expects," "anti "future," "intends," "plans," "believes," "estimates," and similar expressions. These forward-looking statements involve certain risks and uncertainties that could cause actual results, levels of activity, performance, achievements, and events to differ materially from those implied by such forward-looking statements, but are not limited to those discussed in this Report under the section entitled "Risk Factors" and elsewhere, and in other reports Trimble files with the Securities and Exchange Commission ("SEC"), specifically the most recent reports on Form 8-K and Form 10-Q, each as it may be amended from time to time. These forward-looking statements are made as of the date of this Annual Report on Form 10-K. We reserve the right to update these statements for any reason, including the occurrence of material events. The risks and uncertainties under the caption "Risks and Uncertainties" contained herein, among other things, should be considered in evaluating our prospects and future financial performance. We have attempted to identify forward-looking statements in this report by placing an asterisk (*) before paragraphs containing such material.

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PART I

Item 1. Business

Trimble Navigation Limited, a California corporation ("Trimble" or "the Company" or "we" or "our" or "us"), provides technology solutions that enable professionals and field mobile workers to improve or transform their work processes. Our solutions are used across a range of industries including agriculture, architecture, civil engineering, construction, environmental management, government, natural resources, transportation and utilities. Representative Trimble customers include engineering and construction firms, contractors, surveying companies, farmers and agricultural companies, enterprise firms with large-scale fleets, energy, mining and utility companies, and state, federal and municipal governments.

Our products are sold based on return on investment and frequently provide benefits such as lower operational costs, higher productivity, improved quality, enhanced safety and compliance, and reduced environmental impact. Product examples include: equipment that automates large industrial equipment such as tractors and bulldozers; surveying instruments; integrated systems that track fleets of vehicles and workers and provide real-time information and powerful analytics to the back-office; data collection systems that enable the management of large amounts of geo-referenced information; software solutions that connect all aspects of a construction site or farm; and building information modeling (BIM) software that is used throughout the design, build, and operation of buildings. We also manufacture components for in-vehicle navigation and telematics systems, and timing modules used in the synchronization of wireless networks.

Many of our products integrate positioning or location technologies with wireless communications and software or information technologies. Information about location or position is transmitted via a wireless link to a domain-specific software application which enhances the productivity of the worker, asset or work process. Position is provided through a number of technologies including the Global Positioning System (GPS), other Global Navigation Satellite Systems (GNSS) and their augmentation systems, and systems that use laser, optical, inertial or other technologies to establish position.

Software is a key element of most of our solutions. Our software may be delivered either via a licensed or embedded software model or in a hosted environment using a subscription-based Software as a Service (SaaS) model. Many of our software and services offerings can be used as stand-alone applications, or as part of a broader, more integrated industry workflow solution. Examples include software systems for conceptual and structural design, and software for business management/optimization functions in specific industries.

We design, develop and market our own products. The majority of our software products are engineered and developed in-house, with some use of third party applications, modules or contract development. We also operate a few joint ventures in partnership with industry leaders, with which we develop certain products. Our manufacturing strategy includes a combination of in-house assembly and third-party subcontractors. Our global operations include major development, manufacturing, or logistics operations in the United States, Sweden, Finland, Germany, New Zealand, Canada, the United Kingdom, the Netherlands, China, and India. Products are typically sold through dealers, representatives, joint ventures, and other channels throughout the world, in more than 100 countries. These channels are supported by our own offices located in 35 countries around the world. We also sell products directly to end-users.

We began operations in 1978 and incorporated in California in 1981. Our common stock has been publicly traded on NASDAQ since 1990 under the symbol TRMB.

On March 20, 2013 we effected a 2-for-1 split of all outstanding shares of our Common Stock to shareholders of record on March 6, 2013. All shares and per share information presented has been adjusted to reflect the stock split on a retroactive basis for all periods presented.

Technology Overview

Broadly, our technological capabilities span the design, development and integration of hardware, software and communications systems. These capabilities include domain-specific application software development, real-time and embedded software development, analytics, development of sensor technologies and systems, including those used for geographic positioning or location, 1, 2 or 3D measurement, asset management, and the integration of real-time connectivity and communications. Our solutions typically integrate some combination of these technologies, in ways designed to specifically improve a work task or a work process within an industry.

Our capabilities in positioning and sensing technologies include high-precision satellite positioning using GNSS, systems, laser measurement, alignment and 3D scanning, optical measurement, metric digital imaging, inertial measurement technologies, and RF Identification (RFID) technologies. A significant portion of our revenue is derived from applying GNSS technology to terrestrial applications. GNSS includes the network of 24 orbiting U.S. GPS satellites, the Russian GLONASS radio navigation satellite

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system, as well as the European Community and Chinese radio navigation satellite systems under development. Our high precision GNSS products are based on proprietary receiver technology and, over time, advances in positioning, wireless communications, and information technologies have enabled us to add more capability to our products and thereby deliver more value to our users. One example is the Trimble® RTX™ service, which is delivered via satellite or wireless networks to enable users in many parts of the world to determine high accuracy positions using a single GNSS receiver. Our laser and optical products either measure distances and angles to provide a position in three dimensional space or are used as highly accurate laser references from which a position can be established. Laser scanning and optical imaging systems produce clouds of 3D points, or produce high resolution digital imagery from which accurate measurements can be made.

Our software and information technology solutions enable our customers to optimize their business processes and workflows, improve their productivity and data flow, and provide a host of novel features, collaboration possibilities and analytical capabilities. Our software products range from embedded real-time firmware, through field service and location oriented solutions on handheld and other small footprint devices, to scalable server-based solutions that integrate field data with large scale enterprise back-office applications. Our software capabilities also incorporate extensive 3-D modeling, analysis and design platforms, civil engineering alignment selection solutions, design and data preparation software, Building Information Modeling (BIM) software, cloud-based collaboration solutions, applications for advanced surveying and geospatial data collection and analysis, as well as a large suite of domain-specific software applications used across a host of industries including agriculture, construction, utilities, transportation and natural resources. These software solutions are built on configurable and enterprise grade scalable platforms that can be tailored to the workflows that our customers follow to implement their customized business processes. We complement our core offerings with other elective software products that are delivered as either licensed software or in a hosted environment using the SaaS model. Our mobile resource management suite of products is an example of a subscription-based SaaS offering. Our software products, whether they run on a mobile device, on a backend server behind the firewall, in our hosting center, or in the desktop environment, allow our customers to improve their productivity, gain insight into their projects and operations, enhance their decision making and to gain maximum benefit from a broad range of other Trimble products and systems.

We frequently integrate or embed wireless communications technologies in our solutions to facilitate real-time data flow, communication and situational awareness across sites and between work sites or vehicles and offices. Wireless communication techniques used include cellular, WiFi, Bluetooth, satellite communications and proprietary wireless communications technologies.

Business Strategy

Our business strategy is developed around an analysis of several key elements:

- Attractive markets - We focus on underserved markets that offer potential for revenue growth, profitability and market leadership.

- Innovative solutions that provide significant benefits to our customers - We seek to apply our technology to applications in which position data is important and where we can create unique value by enabling enhanced productivity in the field or field to back office. We look for opportunities in which the rate of technological change is high and which have a requirement for the integration of multiple technologies into a solution.

- Distribution channels to best access our markets - We select distribution channels that best serve the needs of individual markets. These channels can include independent dealers, joint ventures, OEM sales, distribution alliances with key partners as well as direct sales to end-users. We view international expansion as an important element of our strategy and continue to develop international channels.

Business Segments and Markets

We are organized into four reporting segments encompassing our various applications and product lines: Engineering and Construction, Field Solutions, Mobile Solutions and Advanced Devices. Our segments are distinguished by the markets they serve. Each segment consists of businesses which are responsible for product development, marketing, sales, strategy and financial performance.

Engineering and Construction

The Engineering and Construction segment primarily serves customers working in architecture, engineering, construction, surveying, natural resources and government.

In the planning, design, construction and operation/maintenance of civil infrastructure such as roads, railways, airports, land management, power plants and transmission lines, our solutions are used across the entire project lifecycle to improve productivity,

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reduce waste and re-work, and enable more informed decision making through enhanced situational awareness, data flow and project collaboration. At the same time, our solutions can improve worker safety and reduce environmental impact. Our suite of integrated solutions and technologies in this area includes field and office software for optimized route selection and design, systems to automatically guide and control construction equipment such as bulldozers, graders and paving equipment, systems to monitor, track and manage assets, equipment and workers, and software to facilitate the sharing and communication of data in real time. Together, these solutions are designed to transform how work is done within the civil engineering industry.

An example is the Connected Site, which integrates data and information across the entire construction process. This includes data from site positioning and machine control systems, construction asset management equipment and services and various software applications. Utilizing wireless and internet-based site communications infrastructure, Trimble Connected Site solutions include the ability to track and control equipment, perform remote machine diagnostics and reduce re-work. By leveraging the Connected Site technology, contractors gain greater insight into their operations, helping them to improve productivity and asset utilization while at the same time lowering costs and improving worker safety.

To bolster the software solutions we provide to the Connected Site, we formed a joint venture with Caterpillar in October of 2008, called VirtualSite Solutions (VSS). VSS develops software for fleet management and connected worksite solutions. Its initial products are subscription-based software solutions that include asset management and machine diagnostics capabilities. VSS solutions, as part of the Connected Site portfolio, are being sold through a world-wide independent dealer channel under the name of SITECH. A separate joint venture with Caterpillar, Caterpillar-Trimble Control Technologies (CTCT) was formed in 2002 to develop the next generation of advanced electronic guidance and control products for earthmoving machines. The joint venture develops machine control and guidance products that use site design information combined with accurate positioning technology to automatically control dozer blades and other machine tools. The joint venture supplies both Trimble and Caterpillar, who each market, distribute, service and support the products using both companies' independent distribution channels. Caterpillar generally offers products as a factory-installed option, while Trimble continues to address the aftermarket with products for earthmoving machines from Caterpillar and other equipment manufacturers. Effective in January 2014, Caterpillar and Trimble amended the joint ventures and related agreements between the parties to expand the range of productivity applications and services the companies will provide, and to support development of comprehensive unified fleet solutions for the construction industry.

Our portfolio of solutions for the commercial, industrial and residential building industry spans the entire Design-Build-Operate lifecycle of a building and is used by architects, designers, general contractors, sub-contractors, trades, and facility owners. These solutions serve to improve productivity, to enhance data sharing and collaboration across different teams and stakeholders to help keep projects within cost targets and time schedules. The suite of technologies and solutions used in the building industry include software for 3D conceptual design and modeling, BIM software which is used in design, construction and maintenance, advanced integrated site layout and measurement systems, applications for sub-contractors and trades such as mechanical, electrical and plumbing (MEP) and heating, ventilation and air conditioning (HVAC), together with a suite of software applications for construction project management, project coordination/collaboration, project cost estimation and for capital program and facility management. Together, these solutions for the building sector serve to automate, streamline and transform working processes across the industry. Our solutions provide customer benefits such as reduced costs, reduced waste and re-work, increased efficiencies, faster project completion times, improved information flow, better decision making, and enhanced quality control. For example, through the collaboration and interconnection of design and construction data from various professional and trade groups working on a project, conflicts or interferences between the location of different elements of a building can be identified digitally within the Building Information Model, prior to fabrication and construction. This saves time and cost compared to their discovery after fabrication and during on-site construction, as is often the case with more conventional building processes.

Professional surveyors and engineers providing services to the construction, engineering, mining, oil and gas, energy and utilities, government and land management sectors use our solutions to replace less productive conventional methods of surveying, mapping, 2D or 3D modeling, measurement, reporting and analysis. Our suite of solutions used in these activities include field based data collection systems and field software, real time communications systems and back-office software for data processing, modeling, reporting and analysis. Our field based technologies are used in handheld, land mobile and airborne applications and incorporate technologies such as mobile application software, high precision GNSS, robotic measurement systems, inertial positioning, 3D laser scanning, digital imaging, optical or laser measurement, and unmanned aerial vehicles (UAVs). Our office based products include software for planning, data processing and editing, quality control, 3D modeling, intelligent data analysis and feature extraction, deformation monitoring, project reporting and data export. Our customers in this area gain benefits from the use of our products including significantly improved productivity in both field and office activities when compared to more conventional methods, improved safety through non-contact measurement and detection of potentially dangerous ground or structure movement and improved data flow which enables better decision making.

We sell and distribute our products in the Engineering and Construction segment through multiple global networks of independent dealers with expertise and customer relationships in their respective segments, each supported by Trimble personnel. These channels

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are supplemented by relationships that create additional channel breadth including our joint ventures with Caterpillar and Nikon, direct strategic account relationships, as well as private branding arrangements with other companies.

Competitors in this segment are typically companies that provide optical, laser or GNSS positioning products as well as companies that produce software specific to the construction process. Our principal competitors are Topcon Corporation and Hexagon AB.

Representative products sold in this segment include:

Trimble MX2—Trimble MX2 product is a vehicle-mounted spatial imaging system, which combines high resolution laser scanning and precise positioning to collect geo-referenced point clouds for a wide range of geospatial applications. The system can be rapidly deployed onto on-and off-road vehicles for capturing geo-referenced data. Trimble MX2 system significantly reduces project field time and operator skill levels compared to traditional mobile mapping solutions. The MX2 system comes standard with Trimble's Trident software for processing the raw data into an accurate deliverable that provides intelligence used for better decision making.

Trimble V10 Imaging Rover—Trimble V10 Imaging Rover is an integrated camera system that precisely captures 360° digital panoramas used to visually document and measure the surrounding environment. Panoramas are collected through an intuitive workflow in Trimble Access field software on a Trimble tablet. Through seamless integration with the Trimble R10™ GNSS receiver or Trimble S-Series total station, resulting panoramas can be used to generate Survey, GIS or mapping accuracy positions from images using Trimble Business Center Office Software. The Trimble V10 Imaging Rover enables feature rich robust geospatial data sets for positioning and decision making in industries such as oil and gas, rail, mining and civil infrastructure.

Trimble VX Spatial Station—Integrating the technologies of advanced optical and robotic surveying, metric imaging and 3D scanning, the Trimble VX™ Spatial Station is a unique, highly versatile, accurate and complete 3D measurement solution designed for surveyors. Trimble VISION™ technology provides video-assisted remote instrument control and advanced 3D models and image-rendered 3D surfaces that can be produced when the system is combined with Trimble RealWorks™ software.

Trimble R10 GNSS System—R10 GNSS system includes an enhanced Trimble HD-GNSS processing engine, Trimble SurePoint™ technology, an electronic bubble and traceable tilt value system which replaces conventional spirit levels used on surveyors poles - and Trimble 360 satellite tracking, and the Trimble xFill™ service which enables customers to continue working during loss of radio or cellular communications by making use of Trimble's satellite based GNSS data services, providing coverage in many areas within the Americas, Europe, Russia and CIS, Africa, Asia and Australia. Our R10 GNSS system combines advanced receiver technology and a proven system design to provide maximum accuracy and productivity for a variety of surveying applications.

Trimble UX5—Trimble UX5 Unmanned Aerial Solution (UAS) integrates a UAV into a high-tech terrain mapping solution incorporating mission planning, automatic field image acquisition by using Trimble Access Field software. Acquired data can be rapidly processed with Trimble Business Center Office software, creating deliverables used for better decision making. The system is used across multiple industries, for applications such as topographic surveying, volume calculations in mining, erosion monitoring, and infrastructure mapping.

Trimble Access Software—Trimble Access software is a powerful field and office surveying solution that expedites data collection, processing, analysis and project information delivery through streamlined workflows and internet-enabled collaboration and control amongst project team members. With Trimble Access software, surveyors have access to powerful yet familiar tools for typical work such as topographic surveys, staking, or control as well as various streamlined workflows for specialized applications, such as road surveying, tunneling, monitoring and mining.

GCS Family of Grade Control Systems—Trimble grade control systems use GPS, total station and other positioning technology along with design information to position the blade or bucket for earthmoving and site preparation. Trimble offers a complete line of systems that are easy to use, fully upgradeable and flexible enough to meet a wide range of application and job site requirements. Use of these systems enables contractors to finish projects faster with less rework, improved material usage and lower costs.

Trimble Construction Manager Software—The Trimble Construction Manager software enables the management of construction assets from one centralized software interface. The software works with one of several hardware locater devices to help track and manage the use of assets on and off site, leading to improved equipment productivity, fuel consumption, and maintenance monitoring. VirtualSite Solutions was formed to develop the next generation of software for fleet management and connected worksite solutions to be sold through the SITECH dealer distribution channel.

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VisionLink Fleet, Asset and Site Productivity Management Solution—The VisionLink® web-based solution enables the management of construction assets from one centralized software interface. It integrates site productivity, material quantities, and materials movement with asset and fleet management to give contractors a holistic view of their site. The software works with hardware locater devices to help track and manage the use of assets on and off site, leading to improved equipment productivity, fuel consumption, and maintenance monitoring. VisionLink is sold through the SITECH dealer distribution channel.

Trimble LOADRITE On-board Weighing Systems—LOADRITE systems provide equipment operators, site foremen and project managers with accurate payload weights and allow them to ensure that machines are loaded to optimal capacity and that loads are accurately recorded. Use of LOADRITE systems enables contractors to reduce cycle times, track excavator and operator efficiency, monitor stock levels and prevent excessive machine stress.

Tekla products—Tekla provides a suite of software including Tekla BIM, Tekla BIMSight, Tekla Structures, and Tekla Civil. The Tekla suite of software can be used by contractors, structural engineers, steel detailers, and fabricators, as well as concrete detailers and manufacturers. The highly detailed as-built structural models are designed to make building contractors more efficient and productive, while also facilitating easy collaboration and sharing of data across different disciplines, thus making construction processes more precise and efficient.

Trimble SketchUp Software—SketchUp® software enables architects, engineers and professionals in related disciplines to design, document and validate building plans by constructing interactive 3D models at any degree of complexity. SketchUp software offers an easy-to-learn user interface and accessible pricing options which have served to widely proliferate the use of 3D models. SketchUp Pro software allows project stakeholders across multiple disciplines to exchange CAD and BIM data in a variety of standard formats and adds functionality for documentation, quantitative reporting and other advanced modeling operations.

Proliance Software—Proliance® software improves capital project and facility performance by streamlining the plan-build-operate lifecycle. Proliance is designed for building owners/operators, developers and service providers managing planning, building, and renovation processes across capital programs, helping to improve capital allocation and control cost, scope and schedule on their projects and programs.

Trimble Layout Solutions—Trimble layout solutions meet the needs of general, concrete, mechanical, electrical and plumbing contractors. Using the Trimble MEP layout solution, mechanical, electrical and plumbing contractors can increase productivity significantly by providing precise location of pipe, duct, and cable tray hangers and avoiding costly mistakes in the building process.

Trade Service products —Trade Service provides software products that help win job bids for mechanical, electrical and plumbing contractors. These products work in conjunction with estimating software like Trimble Accubid software to populate the system with up-to-date product and pricing information. It also allows contractors to electronically request quotes from their preferred suppliers and load prices right into their estimates. After the job is won, the software program Submittal Manager utilizes a huge database of catalog pages to help contractors create submittals in half the time.

Spectra Precision Branded Products—Our Spectra Precision® products include a broad range of laser based tools for interior, drywall and ceilings, HVAC and mechanical contractors. Designed to replace traditional methods of measurement and leveling for a wide range of interior construction applications, our laser tools are easy to learn and use and include rotating lasers for horizontal leveling and vertical alignment, as well as laser pointers and a laser based distance measuring device. The line of products also includes surveying instruments such as total stations, GNSS receivers and field data collectors.
Field Solutions

Our Field Solutions segment addresses the agriculture and geographic information system (GIS) markets.
Our agriculture products consist of guidance and positioning systems, automated application systems and information management solutions that enable farmers to improve crop performance, profitability and environmental quality. Trimble precision agriculture solutions can assist farmers throughout every step of their farming process-beginning with land preparation and throughout the planting, nutrient and pest management, and harvesting phases of a crop cycle. We provide manual and automated navigation guidance for tractors and other farm equipment used in spraying, planting, cultivation and harvesting applications. The benefits to the farmer include faster machine operation, higher yields, and lower consumption of chemicals than conventional equipment. Our Water Solutions help farmers to minimize their water costs and distribute water more efficiently and include solutions for leveling agricultural fields in irrigation applications, aligning drainage systems to better manage water flow in fields, precipitation monitoring services, and control solutions for linear and pivot irrigation systems. In addition, we provide solutions to automate

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applications of pesticide and seeding. Our Connected Farm strategy enables information management solutions for data management, field to office data transfer, record keeping, and provision of data services to facilitate more informed decision making, such as soil information and precipitation monitoring data, to facilitate more informed decision making.

We use multiple distribution channels to access the agricultural market, including independent dealers and partners such as CNH Global. A significant portion of our sales are through CNH Global and dealer networks. Competitors in this market are either vertically integrated farm equipment and implement companies such as John Deere, or agricultural instrumentation suppliers such as Raven, Hemisphere GPS, and Novariant.

Our GIS product line provides trustworthy systems to collect field data and integrate that data into GIS databases. Our handheld data collection systems ensure the integrity of GIS information and ultimately, enable better decision-making. With expertise in GNSS and laser measurement technologies users can quickly log positions and descriptive information about their assets. Through a combination of wireless technologies, fieldwork is seamlessly delivered to the back-office GIS and also enable mobile workers to access GIS information remotely. This capability provides significant advantages to users including improved productivity, accuracy and access to information in the field.

Distribution for GIS products is primarily through a network of independent dealers and business partners, supported by Trimble personnel. Primary markets for our GIS products and solutions include both governmental and commercial users. Users are most often municipal governments and natural resource agencies. Commercial users include utility companies. Competitors in this market are typically survey instrument companies utilizing GNSS technology such as Topcon and Leica.

Representative products sold in this segment include:

CFX/FMX—CFX and FMX® touchscreen displays offer affordable guidance, steering and precision agriculture capabilities. They provide GNSS-based functionality for vehicle operators to steer tractors, sprayers, fertilizer applicators, air seeders and large tillage tools that require consistent pass-to-pass accuracy to help save fuel, increase efficiency and reduce input costs for agricultural operations.

Field-IQ system—Field-IQ™ system is a section control and variable rate application control system that prevents seed and fertilizer overlap, controls the rate of material applications and monitors seed delivery and fertilizer blockage.

Autopilot System—This GNSS-enabled, agricultural navigation system connects to a tractor’s steering system and automatically steers the tractor along a precise path to within three centimeters or less. This enables both higher machine productivity and more precise application of seed and chemicals, thereby reducing costs to the farmer.

EZ-Steer System—This value-added assisted steering system, when combined with any of our guidance display systems, automatically steers agricultural vehicles along a path within 20 centimeters or less. This system installs in less than thirty minutes and is designed to reduce gaps and overlaps in spraying, fertilizing, and other field applications, as well as reduce operator fatigue.

Trimble Connected Farm solution—This end-to-end solution combines in-cab precision control, field record-keeping, seamless field to office information management, and value-added data and consulting services such as soil information from C3 Consulting and precipitation monitoring data services from RainWave.

GreenSeeker and WeedSeeker Sensors—This crop sensing technology reduces farmers’ costs and environmental impact by controlling the application of nitrogen, herbicide, and other crop inputs for optimum plant growth.

Water Solutions— Our water solutions are used by contractors and farmers to minimize water costs and efficiently distribute water. Products include the Irrigate-IQ™ system to precisely control pivot or linear irrigation systems, the FieldLevel II and WM-Drain solutions used for land leveling and drainage design and installation, and the RainWave rainfall data and water shed analysis available in North America that is used to better manage crop production and water use.

Juno Series—Our Juno® family includes compact and cost-effective GPS handhelds designed to equip an entire workforce for data collection and fieldwork.

GeoExplorer Series—Our GeoExplorer® family combines a high-accuracy GNSS receiver in a rugged handheld making it easy to collect and maintain data about objects in the field.

Field Software—Our TerraFlex and TerraSync software products are used in the field to ensure data can be easily integrated into GIS systems.

Fieldport® Software—Our Fieldport software focuses on automating field service processes and operational efficiency for water and wastewater utility customers.

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UtilityCenter Software—Our UtilityCenter® software is a GIS-based enterprise suite of modules oriented towards the electric and gas utilities market. Modules include Outage Management or OMS, Mobile Asset Management, Data Collection, Staking, Network Tracing & Isolation and Field-based Editing.

Mobile Solutions

Our Mobile Solutions segment provides both hardware and software applications for managing mobile work, mobile workers, and mobile assets. The software is provided in both client server and software as a service models. Our software is provided through our hosted platform for a monthly subscription service fee or as a perpetual license with annual maintenance and support fees.

Our vehicle solutions typically include an onboard proprietary hardware device consisting of a GPS receiver, business logic, sensor interface, and a wireless modem. Our solution usually includes the communication service from/to the vehicle to our data center and access over the internet to the application software.

Our mobile worker solutions include a rugged handset device and software designed to automate service technician work in the field at the point of customer contact. The mobile worker handset solutions also synchronize to a client server at the back office for integration with other mission-critical business applications.

Our scheduling and dispatch solution is an enterprise software program which optimizes scheduling and routing of field service technicians. For dynamic capacity management, our capacity planner, capacity controller, and intelligent appointer modules round out this innovative service delivery automation technology.

Our market strategy targets opportunities in specific vertical markets where we believe we can provide a unique value to the end- user by tailoring our solutions for a particular industry. Major markets include transportation and logistics, telecommunications, utilities, field service, construction logistics, forestry, public safety, and oil and gas. In the transportation and logistics market, we offer a suite of solutions marketed under Trimble, PeopleNet, TMW and ALK Technologies brands. Together, this range of products provides a comprehensive fleet and transportation management, analytics, routing, mapping, reporting and compliance solution to enable the transportation and logistics industry to achieve greater overall fleet performance while ensuring regulatory compliance. We acquired privately-held ALK Technologies, a global leader in routing, mapping, mileage and navigation technologies, in January 2013. ALK offers proprietary routing and international map-based solutions for transportation, logistics and mobile workforces. Our Field Service Management solutions are used to manage fleets of service vehicles and mobile or field based workers more efficiently while at the same time enhancing safety, compliance, customer service times and reducing environmental impact. The solutions include fleet management, workforce management, driver logs, driver safety, dynamic scheduling and advanced reporting and analytics.

Our enterprise strategy focuses on sales to large enterprise accounts with more than 1,000 vehicles or routes. Here, in addition to a Trimble-hosted solution, we can also integrate our service directly into the customer’s IT infrastructure, giving them improved control of their information. In this market, we sell directly to end-users. Sales cycles tend to be long due to field trials followed by an extensive decision-making process. Key competitors in this segment include Omnitracs, Fleetmatics, Teletrac, and McLeod, among others.

Representative products sold in this segment include:

Fleet Productivity & Enterprise Software —Our fleet productivity and enterprise software offerings are comprised primarily of the PeopleNet, TMW, Vusion, PC*Miler, CoPilot and FleetWorks mobile platforms. The PeopleNet system includes solutions encompassing route management, safety and compliance, end-to-end vehicle management, and supply chain communications. PeopleNet's products are used by more than 1,500 transportation fleets in the US and Canada. The CarCube/FleetWorks solution is tailored for transportation and logistics companies in Europe and Australia. TMW's transportation software platform serves as a central hub from which the core operations of transportation organizations are managed, data is stored and analyzed, and mission critical business processes are automated. The company's software platform automates business processes spanning the entire surface transportation lifecycle, delivering visibility, control, and decision support for the intricate relationships and complex processes involved in the movement of freight. TMW's enterprise software currently integrates with PeopleNet's fleet productivity solutions, and jointly they serve more than 3,000 fleets around the world. The PC*Miler and CoPilot products provide a truck routing, mileage and mapping solution and a voice guided turn-by-turn navigation solution, respectively.

GeoManager —A new generation of the cloud-based GeoManager™ work management system used to enhance mobile workforce productivity and safety through intelligent scheduling and advanced performance analytics was launched during 2013, available in two packages: Performance Insight and Performance Optimize. Performance Insight is a suite of dashboards, analytics and reports that show key metrics including quality of service, efficiency and utilization of workers to deliver in-depth analysis and easily identify key trends and areas for improvement. Performance Optimize adds to these features with the addition of Scheduling

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and Optimization, a set of tools to dynamically plan, monitor and manage the execution of the workday in real-time, in order to fully utilize the workforce.

Taskforce—The Taskforce® software solution provides scheduling and dispatch solutions for field service technicians by synchronizing the right human and physical resources required to optimize a field service resource network. The system manages significant numbers of dynamic scheduling resources in an unpredictable field service environment to increase productivity, field force utilization, and control-to-field employee ratios.

Public Safety—We provide a suite of solutions for the public safety sector including our PocketCitation system which is an electronic ticketing system that enables law enforcement officers to issue traffic citations utilizing a mobile handheld device. Within this sector, we also provide desktop software which enables accident investigators and other public safety professionals to reconstruct and simulate vehicle accidents.

Cengea Solutions—Cengea provides spatially-enabled land and supply chain management software solutions to improve business processes across the forestry, agriculture and environment/natural resources industries.

Advanced Devices

Advanced Devices includes the product lines from our Embedded Technologies, Timing, Applanix, Trimble Outdoors, Military and Advanced Systems (MAS), and ThingMagic businesses. With the exception of Trimble Outdoors and Applanix, these businesses share several common characteristics: they are hardware centric, generally market to original equipment manufacturers, or OEM, system integrators or service providers, and have products that can be utilized in a number of different end user markets and applications. The various operations that comprise this segment were aggregated on the basis that these operations, taken as a whole, do not exceed more than 10% of our total revenue, operating income or assets.

Within Embedded Technologies and Timing, we supply GNSS modules, licensing and complementary technologies, and GNSS-integrated sub-system solutions for applications requiring precise position, time or frequency. Embedded Technologies and Timing serves a broad range of vertical markets including telecommunications, automotive electronics, and commercial electronics. Sales are made directly to OEMs, system integrators, value-added resellers and service providers who incorporate our components into a complete system-level solution. We have a cooperative licensing deal with Nokia for our GNSS patents related to designated wireless products and services involving location technologies, such as GPS, assisted GPS, or Galileo. We also have a licensing agreement with Marvell Semiconductors for our full GPS Digital Signal Processor (DSP) software as well as tools for development support and testing. Competitors in this market include Symmetricom, Inc. and u-blox.

Our MAS business supplies GPS receivers and embedded modules that use the military’s advanced GPS capabilities. The modules are principally used in aircraft navigation and timing applications. Military products are sold directly to either the U.S. government or defense contractors. Sales are also made to authorized foreign end-users. Competitors in this market include Rockwell Collins, L3 and Raytheon.

Our Trimble Outdoors business utilizes GPS-enabled smartphones and feature phones to provide information for outdoor recreational activities. Some of the recreational activities include hiking, biking, backpacking, hunting, fishing, and boating. Consumers purchase the Trimble Outdoors product through our wireless operator partners which include AT&T, Verizon, Sprint and T-Mobile or from our smartphone channels which include the Apple iTunes and Google Play stores. Competitors in this market include Alltrails and Motion X.

Our Applanix business is a leading provider of advanced products and enabling solutions that maximize productivity through mobile mapping and positioning to professional markets worldwide. Applanix develops, manufactures, sells, and supports high-value, precision products that combine GNSS with inertial sensors for accurate measurement of position and attitude, flight management systems, and scalable mobile mapping solutions used in airborne, land, and marine applications. Sales are made by our direct sales force to end-users, systems integrators, and OEMs, and through regional agents. Competitors include Leica, IGI and Novatel.

Our ThingMagic business is a leading provider of Ultra High Frequency (UHF) Radio Frequency Identification (RFID) reader modules, finished/fixed-position RFID readers and design services. ThingMagic RFID readers support demanding high-volume applications deployed by some of the world’s largest industrial automation firms, manufacturers, healthcare organizations, retailers and consumer companies. ThingMagic consulting, design and development services assist customers with the integration of auto-identification and sensing technologies into

everyday products and solutions. Sales are made directly to OEMs, system integrators, value-added resellers and solution providers who incorporate our technology into point products or complete system-level solutions. Competitors include Motorola, Impinj, Alien Technologies and Sirit.

Representative products sold in this segment include:

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GPS Receiver Modules—The Lassen, Copernicus®, Condor™, and Panda™ families of GPS modules are full-function GPS modules in a variety of form factors, some smaller than a fingertip.

TM3000 Asset Tracking Device—Our TM3000 product is a flexible, open platform that enables a broad range of applications such as: fleet management, mobile asset tracking and recovery, and driver monitoring and assistance. This device integrates wireless communications, a positioning function, and an application engine in a package designed to meet the needs of service-focused businesses.

Thunderbolt® GPS Disciplined Clock—Our Thunderbolt clock is a fifth-generation product from our GPS Timing and Synchronization division, which outputs precision time and frequency. It also serves as the architectural basis for GPS disciplined clocks sold to manufacturers of CDMA, WiMax and LTE infrastructure.

Applanix POS/AV System—Our integrated GNSS/inertial system for airborne surveying measures aircraft position to an accuracy of a few centimeters and aircraft attitude (angular orientation) to an accuracy of 30 arc seconds or better. This system is typically interfaced to large format cameras and scanning lasers for producing geo-referenced topographic maps of the terrain.

Applanix DSS Digital Sensor System—Our digital airborne imaging solution produces high-resolution orthophoto map products. Certified by the USGS, the system consists of a mapping grade digital camera that is tightly integrated with a GNSS/Inertial system, flight management system and processing software for automatic geo-referencing of each pixel.

Force 524D Module—This dual frequency, embedded GPS module is used in a variety of military airborne applications.

Trimble Outdoors Service—Our website (www.trimbleoutdoors.com) allows consumers to plan trips that sync with their GPS-enabled cell phones to enable off road navigation. Consumers can also research specific trips on-line as part of trip pre-planning. After a trip users are able to share outdoor and off-road experiences on-line with their friends and family on the Trimble Outdoors website or through Facebook and Twitter.

Trimble Indoor Mobile Mapping Solution—Our Indoor Mobile Mapping Solution (TIMMS) is the optimal fusion of technologies for capturing spatial data of indoor and other GNSS-denied areas. It produces both LiDAR and spherical video and enables the creation of accurate, real-life representations (maps, models) of interior spaces with all of their contents.

ThingMagic RFID Readers—Our RFID readers include the Mercury