UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 29, 2017

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 INC.
(Exact name of Registrant as specified in its charter)

Delaware	**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, $0.001 par value	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 ☒ 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 ☒
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 ☒ 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 ☒ 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	☒	Accelerated Filer	☐
Non-accelerated Filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of June 30, 2017 , the aggregate market value of the common stock held by non-affiliates of the registrant was approximately $9.0 billion based on the closing price as reported on the NASDAQ Global Select Market. Shares of common stock held by each officer 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 22, 2018
Common stock, $0.001 par value	248,266,451 shares

DOCUMENTS INCORPORATED BY REFERENCE

Certain parts of Trimble Inc. Proxy Statement relating to the annual meeting of stockholders to be held on May 1, 2018 (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K.

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. These statements include, among other things:

- the portion of our revenue coming from sales to customers located in countries outside of the U.S.;
- seasonal fluctuations in our construction equipment revenues, agricultural equipment revenues, global macroeconomic conditions, and expectations that we may experience less seasonality in the future;
- our plans to continue to invest in research and development to actively develop and introduce new products and to deliver targeted solutions to the markets we serve;
- a continued shift in revenue towards a more significant mix of software, recurring revenue, and services;
- our belief that increases in recurring revenue from our software and solutions will provide us with enhanced business visibility over time;
- our belief that our cash and cash equivalents and short-term investments, together with borrowings under our 2014 Credit Facility, will be sufficient to meet our anticipated operating cash needs, debt service, planned capital expenditures, and stock repurchases under the stock repurchase program for at least the next twelve months;
- fluctuations in interest rates and foreign currency exchange rates; and
- our growth strategy, including our focus on historically underserved large markets, the relative importance of organic growth versus strategic acquisitions, and the reasons that we acquire businesses.

The forward-looking statements regarding future events and the future results of Trimble Inc. ("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," "anticipates," "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.

TRIMBLE INC.

2017 FORM 10-K ANNUAL REPORT

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PART I

Item 1. **Business**

Trimble Inc., a Delaware corporation, is a leading provider of technology solutions that enable professionals and field mobile workers to improve or transform their work processes. Our comprehensive work process solutions are used across a range of industries including agriculture, architecture, civil engineering, survey and land administration, construction, geospatial, government, natural resources, transportation, and utilities. Representative Trimble customers include engineering and construction firms, contractors, surveying companies, farmers and agricultural companies, transportation and logistics companies, energy, utility companies, and state, federal and municipal governments.

We transform the way the world works by delivering products and services that connect the physical and digital worlds. Core technologies used in positioning, modeling, connectivity and data analytics enable customers to improve productivity, quality, safety, and sustainability. Our products are sold based on return on investment and provide benefits such as lower operational costs, higher productivity, improved quality, enhanced safety and regulatory compliance, and reduced environmental impact. Representative products include equipment that automates and enables increased precision within large industrial equipment such as tractors and bulldozers; integrated systems that track fleets of vehicles and workers and provide real-time information and 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 a farm; and building information modeling ("BIM") software that is used throughout the design, build, and operation of buildings.

Many of our products integrate real-time 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 real-time position. Integration of wireless communications in our solutions facilitates real-time data flow, communication and situational awareness within sites and between work sites or vehicles and offices.

Software is a key element of most of our solutions and accounts for a steadily increasing portion of our business. Our software products and services range from embedded real-time firmware to application software that integrates field data with large scale enterprise back-office applications. Many of our 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. Our software capabilities include extensive 3-D modeling, analysis and design solutions, civil engineering alignment selection solutions, design and data preparation software, 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, and transportation. Our software is sold as a perpetual license or as a subscription, and can be delivered for on-premise installation or in a hosted environment as Software as a Service ("SaaS"). Our software products allow our customers to optimize their work processes for targeted outcomes, improve their productivity, gain insight into their projects and operations, to enhance their decision making and to gain maximum benefit from a broad range of other Trimble products and systems.

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 sold in more than 100 countries, through dealers, representatives, joint ventures and other channels throughout the world, as well as direct sales to end-users. Sales are supported by our own offices located in over 40 countries around the world.

We began operations in 1978 and were originally incorporated in California as Trimble Navigation Limited in 1981. On October 1, 2016, Trimble Navigation Limited changed its name to Trimble Inc. and changed its state of incorporation from the State of California to the State of Delaware. Our common stock has been publicly traded on NASDAQ since 1990 under the symbol TRMB.

Business Strategy

Our growth strategy is centered on multiple elements:

- *Focus on attractive markets with significant growth and profitability potential* - We focus on large markets historically underserved by technology that offer significant potential for long-term revenue growth, profitability and market leadership. Our core industries such as construction, agriculture, and transportation are each multi-trillion dollar global industries which operate in demanding environments with technology adoption in the early phases relative to other industries. With the emergence of mobile computing capabilities, the increasing technological know-how of end users and compelling return on investment, we believe many of our markets are attractive for substituting Trimble's technology and solutions in place of traditional operating methods .

- *Domain knowledge and technological innovation that benefit a diverse customer base* - We have over time redefined our technological focus from hardware-driven point solutions to integrated work process solutions by developing domain expertise and heavily reinvesting in R&D and acquisitions. We have been spending approximately 14% to 15% of revenue over the past several years on R&D and currently have over 1,200 unique patents. We intend to continue to take advantage of our technology portfolio and deep domain knowledge to quickly and cost-effectively deliver specific, targeted solutions to each of the vertical markets we serve. We look for opportunities where the opportunity for technological change is high and which have a requirement for the integration of multiple technologies into complete vertical solutions.
- *Increasing focus on software and services* - Software and services targeted for the needs of vertical end markets are increasingly important elements of our solutions and are core to our growth strategy. Trimble generally has an open application programming interface philosophy and open vendor environment which leads to increased adoption of our software and analytics offerings. We believe that increased recurring revenue from these solutions will provide us with enhanced business visibility over time. Professional services constitute an additional growth channel that helps our customers integrate and optimize the use of our offerings in their environment.
- *Geographic expansion with localization strategy* - We view international expansion as an important element of our strategy and we continue to position ourselves in geographic markets that will serve as important sources of future growth. We currently have a physical presence in over 40 countries and distribution channels in over 100 countries. In 2017 , over 50% of our sales were to customers located in countries outside of the U.S.
- *Optimized go to market strategies to best access our markets* - We utilize vertically focused go-to-market strategies that leverage domain expertise to best serve the needs of individual markets domestically and abroad. These go-to-market capabilities include independent dealers, joint ventures, original equipment manufacturers ("OEM") sales, and distribution alliances with key partners, such as CNH Global, Caterpillar and Nikon, as well as direct sales to end-users, that provide us with broad market reach and localization capabilities to effectively serve our markets.
- *Strategic acquisitions* - Organic growth continues to be our primary focus, while acquisitions serve to enhance our market position. We acquire businesses that bring domain expertise, technology, products, or distribution capabilities that augment our portfolio and allow us to penetrate existing markets more effectively, or to establish a market beachhead. Our success in targeting and effectively integrating acquisitions is an important aspect of our growth strategy.

Business Segments and Markets

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. In March 2017, we effected a change in the reporting of our segment financial results to better reflect our customer base and end markets. Beginning with the first quarter of fiscal 2017, we began reporting our financial performance, including revenues and operating income, based on four new reportable segments: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation. Comparative period financial information by reportable segment has been recast to conform with the current presentation. For further financial information about our segments, see Note 6 to the consolidated financial statements.

Buildings and Infrastructure

The Buildings and Infrastructure segment primarily serves architects, engineers, contractors, owners, and operators. Within this segment, our most substantial product portfolios are focused on civil engineering and construction and building construction.

Civil Engineering and Construction. Before dirt is ever moved in civil construction, feasibility, design, and scheduling are critical steps to site construction. Trimble provides the industry with a continuum of field solutions, software solutions, and services at every stage of the project - from planning and design, to construction, operation and maintenance. Our civil construction solutions are used in civil infrastructure such as roads, railways, airports, land management, solar farms, marinas, and landfills. Our solutions are used across the entire project life cycle to improve productivity, 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 excavators, bulldozers, wheel loaders, motor 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 heavy civil construction industry.

The Connected Site describes our civil construction market portfolio, which integrates data and information across the entire construction process and across mixed fleets. 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, our 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 lower costs and improve productivity, worker safety, and asset utilization.

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, including subscription-based software as a service solutions. VSS solutions are part of the Connected Site portfolio, and are 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. Caterpillar generally offers joint venture products as a factory-installed option, while Trimble focuses on the aftermarket with products for mixed fleets of earthmoving machines from Caterpillar and other equipment manufacturers to allow improved management of construction sites and projects. 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.

During 2017, we announced a number of developments, including the launch of Trimble Earthworks. The Trimble Earthworks platform includes the industry’s first integrated 3D aftermarket excavator automatics capability, as well as a new bulldozer configuration that moves the receivers from the blade to the roof of the cab. The Earthworks grade control application is built on the Android operating system, and runs on a new touch-screen display. We also announced new collaborations with multiple OEMs intended to improve the interoperability of technologies and data for civil engineering and construction projects.

Building Construction . The Trimble Buildings portfolio of solutions for the commercial and industrial building industry spans the entire lifecycle of a building and is used by architects, designers, general contractors, sub-contractors, engineers, and facility owners or lessees. These solutions serve to improve productivity and to enhance data sharing and collaboration across different teams and stakeholders to help keep projects within cost, time, and quality targets. The suite of technologies and solutions we provide to the building industry includes software for 3D conceptual design and modeling, BIM software which is used in design, construction, and maintenance, advanced integrated site layout and measurement systems, cost estimating, scheduling, and project controls solutions for contractors, applications for sub-contractors and trades such as steel, concrete and mechanical, electrical and plumbing, and an integrated workplace management services ("IWMS") software suite for real estate management, project coordination, capital program planning and management, and facility management for building owners and program managers. In addition, Trimble’s Connect collaboration platform streamlines customer workflows and enables interoperability between Trimble’s and other providers' solutions. Our joint venture with Hilti, a leading global provider of solutions to the building trades, develops products which integrate Trimble’s positioning and asset management technologies with Hilti’s tools capabilities to create smarter tools and smarter construction sites. Together, these solutions for the building industry serve to automate, streamline, and transform work processes across the building construction industry. Our solutions provide customer benefits such as reduced costs, reduced waste and re-work, increased worker safety and efficiencies, faster project completion times, improved information flow, better decision making, and enhanced quality control.

During 2017, we announced advances in several of our software packages and solutions, including new versions of our software for structural engineering, fabrication, and construction teams.

We sell and distribute our products in the Building and Infrastructure segment primarily through global networks of independent dealers with expertise and customer relationships in the respective markets, including the network of SITECH Technology Dealers, which serves the civil construction industry. BuildingPoint is an initiative to form a global network of specialized distribution partners to serve the needs of the building construction industry by supporting customers in the adoption of the Trimble Buildings portfolios.

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, Hexagon AB, and Autodesk. We compete principally on the basis of innovation, differentiated products, service, quality, and geographic reach.

Geospatial

The Geospatial segment primarily serves customers working in surveying, engineering, and government. Within this segment our most substantial product portfolios are focused on surveying and geospatial, and geographic information systems ("GIS").

Surveying and Geospatial . Through our Surveying and Geospatial product portfolio, professional surveyors and engineers provide services to the construction, engineering, mining, oil and gas, energy and utilities, government, and land management sectors. Our survey and geospatial solutions replace less productive conventional methods of surveying, mapping, 2D or 3D modeling, measurement, reporting, and analysis. Our suite of solutions 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. We maintain a joint venture with Nikon which focuses on the design and manufacture in Japan of surveying instruments including mechanical total stations and related products. 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, improved safety through non-contact measurement and detection of potentially dangerous ground or structure movement, and improved data flow which enables better decision making.

Geographic Information Systems . Our GIS product line collects authoritative field data and integrates that data into GIS databases. Our handheld data collection systems allow users to quickly log positions and descriptive information about their assets, ensure the integrity and accuracy of GIS information, and ultimately enable better decision-making. Through a combination of wireless technologies and software solutions, fieldwork results are seamlessly delivered to the back-office GIS, and mobile workers can also access GIS information remotely. This capability provides significant advantages to users, including improved productivity, accuracy, and access to information in the field.

During 2017, we announced the release of the Trimble C5 and C3, the next generation of mechanical total stations, to support land survey professionals, and the release of the Trimble T10 tablet, a rugged high performance data processing platform suitable for a variety of survey and GIS applications. We also announced the availability of the Trimble Catalyst software-defined GNSS receiver through Trimble’s global distribution network. Along with these additions to our product portfolio, we announced enhancements to our industry leading portfolio of geospatial office software with a new version of Trimble Business Center and the introduction of Trimble Clarity, a new cloud-based application that enables geospatial professionals to easily visualize and share three-dimensional point cloud data with clients.

We sell and distribute our products in the Geospatial segment through a global network of independent dealers and business partners, supported by Trimble personnel. Competitors in this segment are typically survey instrument companies utilizing GNSS technology such as Topcon Corporation and Hexagon AB. We compete principally on the basis of robust performance, ease of use, price, interoperability, and interconnectedness.

Resources and Utilities

The Resources and Utilities segment primarily serves customers working in agriculture, forestry, and utilities. Within this segment, our most substantial product portfolio addresses the agriculture market.

Our precision agriculture products and services consist of guidance and positioning systems, automated and variable-rate application and technology systems, and information management solutions that enable farmers and their partners 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 continuing through 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, cultivating, and harvesting applications. The benefits to the farmer include faster machine operation, higher yields, and lower consumption of fuel and chemicals than conventional equipment. In addition, we provide solutions to automate application of pesticide and seeding. Our water solutions help farmers minimize their water costs and distribute water more efficiently, and include applications for leveling agricultural fields for irrigation, aligning drainage systems to better manage water flow in fields, and controlling water application in linear and pivot irrigation systems.

During 2017, we acquired privately-held Müller-Elektronik ("Müller"), a German company specializing in implement control and precision farming solutions. Müller is known for developing, producing, and selling Electronic Control Units ("ECUs") and embedded software that provides vehicle and implement control for tractors, combine harvesters, field sprayers, drill machines, seeders, spreaders, and slurry tankers to improve the management of inputs such as seed, fertilizer and pesticides. Müller was a key contributor in the development of the ISOBUS communication protocol, which allows one terminal to control several implements and machines, regardless of manufacturer. ISOBUS standardizes control settings, reduces downtime and minimizes installation and interface challenges, and simplifies data exchange and machine control. The implement control solutions developed by Müller have now become widely adopted by leading agriculture OEMs and aftermarket channels.

Solutions which use data to enhance farm productivity are an increasing focus in our agriculture business. In 2017, we continued the development and integration of a number of Trimble Agriculture's software programs and platforms into a single Trimble Ag Software solution. This integrated solution is designed to not only help farmers seeking solutions to integrate all of the information on the farm, but also to enable advisors, suppliers, and purchasers to share information to improve efficiencies. Trimble Ag Software enables a chain of custody where the farm can pass critical food safety and sustainability information to processors, distributors, and ultimately to consumers who seek transparency. Trimble Ag Software enables farmers to make more informed decisions leading to higher yields, better quality crops, increased profitability, and reduced environmental impact.

For many of Trimble's end market applications and customer needs, the positional accuracy that can be derived from GNSS satellite signals alone is insufficient. In these applications, higher levels of positional accuracy are required. For these situations, Trimble provides an augmentation service that improves the positional accuracy that is available to the customer, thereby enabling higher levels of precision and automation in work processes that are conducted in the field. This service is provided by Trimble Positioning Services ("Positioning Services") and is available in a variety of formats and accuracy levels, depending on the relevant application's specific needs. Positioning Services serves customers in a variety of end markets, including agriculture, construction, geospatial, and other markets, with a majority of its customers being in agriculture.

During 2017, we acquired several forestry businesses including Savcor Oy, a global supplier of forestry solutions for performance optimization and enterprise management, Silvadata, a provider of cloud-based data, collaboration and workflow automation services to small- and medium-sized forestry companies, and BOS Forestry, a provider of collaboration, harvesting, production and lumber sale solutions. The acquisitions of these forestry businesses will expand our technology offerings to the forestry industry. With the completion of these acquisitions, Trimble's forestry portfolio offers land, forest, and fiber management solutions that improve the productivity and operations for some of the world's most recognized integrated forest product companies, forest land owners, timberland investment entities, conservation groups, and state and federal departments. Our forestry solutions manage the full raw materials lifecycle of planning, planting, growing, harvesting, transporting, and processing.

Also during 2017, we acquired privately-held Network Mapping Group Limited ("NM Group"), expanding Trimble's energy solutions portfolio to include high-value data modeling and 3D visualization services for the utilities industry. NM Group is a leading data capture, modeling, engineering and analytical services, and 3D visualization solutions provider for electricity network operators. NM Group combines multiple remote sensing techniques with unique data analysis capabilities to create a variety of information products such as 3D asset models, engineering assessments, and vegetation risk analysis. These products are used by utility customers to improve and optimize their asset management decision making, operational efficiency, and compliance.

We use multiple distribution approaches to access the agricultural market, including independent dealers and direct selling to enterprise accounts. A significant portion of our sales are through CNH Global and affiliated dealer networks. During 2017, we expanded our Vantage global distribution channel. Vantage distributors provide a premier level of technical expertise, customer service and support capabilities, and operate with a strategy that fosters technology interoperability in mixed fleets used on a farm. Vantage partners are committed to providing reliable, responsive, and dedicated in-field service and support as well as creating a hassle free experience for the grower and their advisors when implementing advanced technology solutions. They also provide training so farmers and advisors have a better understanding of how to use the technology in a way that best meets their farming needs. We currently have Vantage partners in over 14 countries across 5 continents. Our forestry and utilities portfolios use a mix of direct sales and indirect distribution.

Competitors in the agricultural market are vertically integrated farm equipment and implement companies, such as John Deere and agricultural instrumentation companies, such as Raven and AGCO. As we expand our business in agronomic services and data oriented applications, we expect to increasingly compete with major input suppliers, such as Monsanto. We compete principally on the basis of robust performance, ease of use, customer support, price, interoperability, interconnectedness, and the completeness of our solutions.

Transportation

The Transportation segment primarily serves customers working in transportation, including transportation and logistics, automotive, rail, and field service management. Within this segment, our most substantial product portfolio addresses the transportation and logistics market.

In the transportation and logistics market, we offer a suite of solutions marketed under the Trimble, PeopleNet, GEOTrac, TMW, and ALK Technologies brands. Together, this range of products provides a comprehensive fleet and transportation management, analytics, routing, mapping, reporting, and predictive modeling solution to enable the transportation and logistics industry to achieve greater overall operational efficiency, fleet performance, and profitability while ensuring regulatory compliance. Our fleet productivity and enterprise software offerings are comprised primarily of the PeopleNet, TMW, Vusion, PC*Miler, CoPilot, and FleetWorks mobile platforms. Our enterprise strategy focuses on sales to large enterprise accounts. In addition to Trimble-hosted solutions, we also integrate our applications and services directly into the customer's IT infrastructure.

The PeopleNet mobile communications system includes solutions encompassing route management, safety and compliance, end-to-end vehicle management, and supply chain communications. GEOTrac's telematics systems provide end-to-end solutions for oil and gas road mapping, vehicle monitoring, geofencing, messaging and alerting, driver productivity, distress notification, lone worker monitoring, reporting, and maintenance monitoring. 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. Our software platform automates business processes spanning the entire surface transportation lifecycle, order-to-cash, delivering visibility, control, and decision support for the intricate relationships and complex processes involved in the movement of freight. ALK's PC*Miler, CoPilot, and ALK Maps products provide a truck routing, mileage and mapping solution and a voice guided turn-by-turn navigation solution.

In 2017, we acquired privately-held Innovative Software Engineering ("ISE"), an engineering and systems integration firm that delivers innovative, end-to-end Internet of Things ("IoT") and telematics solutions, enterprise mobility applications, and tailored software solutions. The acquisition expands Trimble's fleet safety and compliance solutions and allows Trimble to offer electronic logs as a service. The addition of ISE allows Trimble to combine research and development efforts to provide customers with a robust and compliant ELD solution. ISE provides its electronic logs as a service to a variety of businesses that provide a logging solution to a broad range of customers, including those in oil and gas transportation, agriculture and construction, as well as private and for-hire fleets. Trimble's Construction Logistics and Field Service Management businesses currently provide electronic logging solutions as a service through ISE's eFleetSuite, a commercial-grade telematics platform that manages hours of service and vehicle maintenance compliance.

In 2017, we acquired privately-held 10-4 Systems ("10-4"), a provider of advanced, multimodal shipment visibility solutions and related technologies. 10-4 solutions offer real-time shipment visibility, regardless of provider or mode, to shippers, third-party logistics providers, and carriers of all sizes. The acquisition expands Trimble's portfolio of Transportation Management Systems to include an established cloud-based solution for small carriers as well as a shipper Request for Proposal platform.

In 2017, we also acquired privately-held Beena Vision Systems Inc.("Beena Vision"), a manufacturer of vision-based automatic wayside inspection systems for the railroad industry. Beena Vision provides vision-based wayside detectors for the rolling stock maintenance market. Its non-contact measurement technology enables highly detailed condition assessment of train components, ranging from wheel surface condition to full train inspection, on trains operating in service and at high speeds. Beena Vision's wayside systems, coupled with software applications and image analysis technology, enable train operating companies to manage fleet maintenance and operation through automatic measurements and inspections. Real-time alarms, alerts, and reports enable significant reductions in maintenance costs and increase fleet availability for revenue generation.

The Transportation segment generally sells directly to end-users. Sales cycles tend to be long, often involving field trials followed by an extensive decision-making process. Key competitors in this segment include Omnitracs, Teletrac, and McLeod, among others. We compete principally on the basis of interoperability, customer support and service, price, innovative product offerings, quality, and provision of a complete solution.

Patents, Licenses and Intellectual Property

We seek to establish and maintain our proprietary rights in our technology and products through the use of patents, copyrights, trademarks, and trade secret laws. We have a program to file applications for and obtain patents, copyrights, and trademarks in the United States and in selected foreign countries where we believe filing for such protection is appropriate. We hold over 1,200 unique issued and enforceable patents, the majority of which cover GNSS based technologies and other applications such as optical and laser technology. We generally prefer to own the intellectual property used in our products, either directly or through subsidiaries. From time to time we license technology from third parties. We are not dependent on any one patent and license. We also own numerous trademarks and service marks that contribute to the identity and recognition of Trimble and its products and services globally.

Competition

Our markets are highly competitive and we expect that both direct and indirect competition will increase in the future. Within our markets, we encounter direct competition from other GNSS, software, optical, and laser suppliers such as Hexagon and Topcon, and competition may intensify from various larger U.S. and non-U.S. competitors. Our hardware products are increasingly subject to competition from existing and new entrants from emerging markets such as China, which compete aggressively on price at the lower-priced end of the market. Our integrated hardware and software products may also be subject to increasing competition from mass market devices such as smartphones and tablets combined with relatively inexpensive applications, which have not been heavily used for commercial applications in the past.

Many of our products and solutions are focused on specific industries. In each of these industries, we face competition from companies providing point solutions or more traditional, less technology intensive products and services, and these companies often have greater financial resources and more established and recognized brands in those industries. Competing in vertical markets with more established industry participants requires that we successfully establish a market position and market new and sometimes unfamiliar technology and automated solutions to customers that have not previously used such products. We also increasingly offer enterprise level solutions designed to meet the specific needs of our target industries. In doing so, we face competition from larger and more well established providers of enterprise software and services with whom we have not previously competed. See also "Risk Factors - We face substantial competition in our markets which could decrease our revenue and growth rates or impair our operating results and financial condition."

Sales and Marketing

We tailor our go-to-market strategies to the needs of our products and regional markets around the world. In addition to direct sales, many of our products are sold worldwide primarily through indirect channels, including distributors, dealers, and authorized representatives. Occasionally we grant exclusive rights to market certain products, or within specific countries. These channels are supported by our regional sales offices throughout the world. We also utilize distribution alliances, OEM relationships, and joint ventures with other companies as a means to serve selected markets, as well as direct sales to end-users.

During fiscal 2017 , sales to customers in the United States represented 48%, Europe represented 26%, Asia Pacific represented 14%, and other regions represented 12% of our total revenue.

Seasonality of Business

Construction equipment revenues, within our Buildings and Infrastructure segment, historically have been higher in early spring. Our agricultural equipment revenues, within our Resources and Utilities segment, have historically been the highest in the first quarter, followed by the second quarter, reflecting buying in anticipation of the spring planting season in the Northern hemisphere. However, overall as a company, as a result of diversification of our business across segments and the increased impact of subscription revenues, we may experience less seasonality in the future. Changes in global macroeconomic conditions could also impact the level of seasonality we experience.

Manufacturing

We outsource the manufacturing of many of our hardware products to our key contract manufacturing partners that include Flex Ltd., Benchmark Electronics Inc., and Jabil. Our contract manufacturing partners are responsible for significant material procurement, assembly, and testing. We continue to manage product design through pilot production for the subcontracted products, and we are directly involved in qualifying suppliers and key components used in all our products. Our current contract with Flex Ltd. continues in effect until either party gives the other ninety days written notice. We also utilize original design manufacturers for some of our products.

We manufacture our laser and optics-based products, as well as some of our GPS products, at our plants in Dayton, Ohio; Danderyd, Sweden, and Shanghai, China. Some of these products or portions of these products are also subcontracted to third parties for assembly.

Our design, manufacturing, and distribution sites in Dayton, Ohio; Sunnyvale, California; Danderyd, Sweden; Eersel, Netherlands; Auckland, New Zealand, and Shanghai, China are registered to ISO9001:2015, covering the design, production, distribution, and servicing of all our products.

Research and Development

We believe that our competitive position is maintained through the development and introduction of new products, including software and services, that incorporate improved features and functionality, better performance, smaller size and weight, lower cost, or some combination of these factors. We invest substantially in the development of new products. We also make significant investment in the positioning, communication, and information technologies that underlie our products and will likely provide competitive advantages.

We expect to continue investing in research and development at a rate consistent with our past, with the goal of maintaining or improving our competitive position, and entering new markets.

Employees

At the end of fiscal 2017 , we employed 9,523 employees, with approximately 57% of employees in locations outside the United States.

Some employees in Sweden and Finland are represented by unions. Some employees in Germany and France are represented by works councils. We also employ temporary and contract personnel that are not included in the above headcount numbers. We have not experienced work stoppages or similar labor actions.

Available Information

The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to these reports are available free of charge on the Company's web site through investor.trimble.com , as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. Financial news and reports and related information about our Company as well as GAAP to non-GAAP reconciliations can also be found on this web site. Information contained on our web site is not part of this annual report on Form 10-K.

In addition, you may request a copy of these filings (excluding exhibits) at no cost by writing or telephoning us at our principal executive offices at the following address or telephone number:

Trimble Inc.
935 Stewart Drive, Sunnyvale, CA 94085
Attention: Investor Relations Telephone: 408-481-8000

Executive Officers

The names, ages and positions of the Company's executive officers as of February 22, 2018 are as follows:

Name	Age	Position
Steven W. Berglund	66	President and Chief Executive Officer
Robert G. Painter	46	Chief Financial Officer
Bryn A. Fosburgh	55	Senior Vice President
Christopher W. Gibson	56	Senior Vice President
James A. Kirkland	58	Senior Vice President, General Counsel and Secretary
Darryl R. Matthews	50	Senior Vice President
Sachin J. Sankpal	50	Senior Vice President
Julie A. Shepard	60	Chief Accounting Officer

Steven W. Berglund —Steven Berglund has served as president and chief executive officer of Trimble since March 1999. Prior to joining Trimble, Mr. Berglund was president of Spectra Precision, a group within Spectra Physics AB. Mr. Berglund's business experience includes a variety of senior leadership positions with Spectra Physics, and manufacturing and planning roles at Varian Associates. He began his career as a process engineer at Eastman Kodak. He attended the University of Oslo and the University of Minnesota where he received a B.S. in chemical engineering. Mr. Berglund received his M.B.A. from the University of Rochester. Mr. Berglund is a member of the board of directors of the Silicon Valley Leadership Group and is also a member of the board, as well as the construction sector board, of the Association of Equipment Manufacturers. In December 2013, Mr. Berglund was appointed to the board of directors and compensation committee of Belden Inc., a global provider of end-to-end signal transmission solutions.

Robert G. Painter —Robert Painter was appointed chief financial officer of Trimble in February 2016. He is responsible for Trimble's worldwide finance operations. Mr. Painter joined Trimble in 2006 and assumed leadership of Trimble's business development activities, leading all acquisition and corporate strategy activities. From 2009 to 2010, he served as general manager of the Company's Construction Services Division. From 2010 to 2015, he served as general manager of the Company's joint venture with Hilti, which was created to foster collaborative development of product innovations for the building construction industry. In 2015, Mr. Painter was appointed vice president of Trimble Buildings, a Trimble group focused on BIM-centric businesses that span the Design-Build-Operate continuum of the Building lifecycle. Prior to joining the Company, Mr. Painter served in a variety of management and finance positions at Cenveo, Rapt Inc., Bain & Company, Whole Foods Markets, and Kraft Foods. In 1993, he earned a Bachelor of Science degree in Finance from West Virginia University, and received an MBA in Business from Harvard University in 1998.

Bryn A. Fosburgh —Bryn Fosburgh is senior vice president responsible for the Caterpillar, Hilti, and Nikon Joint Ventures, U.S. Federal government strategy and accounts, OEM construction machine business, and professional services groups. From 2014 to 2016, he served as senior vice president for Trimble's Geospatial, Civil Engineering and Construction, and Building businesses, and the Caterpillar and Hilti-related joint ventures. From 2010 to 2014, Mr. Fosburgh was responsible for our Buildings and Heavy Civil construction businesses along with our Caterpillar and Hilti joint ventures. From 2009 to 2010, Mr. Fosburgh served as vice president for Trimble's Construction Division, Transportation and Logistics, Fields Service Management and a number of corporate functions and geographical regions. From 2007 to 2009, Mr. Fosburgh was vice president for Trimble's Construction and Agriculture Divisions, and from 2005 to 2007, Mr. Fosburgh served as vice president and general manager of Trimble's Engineering and Construction Division. Mr. Fosburgh joined Trimble in 1994 and has held numerous roles, including vice president and general manager for Trimble's geomatics and engineering division, and division vice president of survey and infrastructure. Prior to Trimble, Mr. Fosburgh was a civil engineer and also held various positions for the U.S. Army Corps of Engineers and Defense Mapping Agency. Mr. Fosburgh received a B.S. in geology from the University of Wisconsin in Green Bay in 1985 and an M.S. from the school of civil engineering at Purdue University in 1989.

Christopher W. Gibson —Christopher Gibson currently serves as senior vice president responsible for Trimble's channel development and regional development in Latin & South America, Russia, India, China and Africa. Mr. Gibson also oversees emerging markets, key accounts and major project capabilities across the company, and is responsible for the company's corporate marketing functions. From 2012 to 2015, Mr. Gibson served as vice president for Trimble's Survey, Geospatial, GIS, Infrastructure, Rail, Land Administration and Environmental Solutions businesses. Mr. Gibson joined Trimble in 1998 as European finance and operations director. In 2009, he was appointed to serve as vice president responsible for Trimble's Survey Division, and in December 2010, those responsibilities were expanded to include oversight of geographic regions and divisions, including Building Construction, Construction Tools, and the Hilti joint venture. From 2008 to 2009, Mr. Gibson served as the general manager for the Survey Division, and from 2005 to 2008, he was general manager for the Global Services Division. Prior to Trimble, Mr. Gibson's business experience includes a number of financial management roles with Tandem Computers, and financial analyst roles with Unilever subsidiaries. Mr. Gibson received a BA in Business Studies in 1985 from Thames Polytechnic, now the University of Greenwich, and was admitted as a Fellow to the Chartered Institute of Management Accountants in 1994.

James A. Kirkland —James Kirkland currently serves as senior vice president, general counsel and secretary. He joined the company as vice president and general counsel in July 2008. Prior to joining Trimble, he served as general counsel and executive vice president, strategic development at Covad Communications. Mr. Kirkland also served as senior vice president of spectrum development and general counsel at Clearwire Technologies, Inc. Mr. Kirkland began his career in 1984 as an associate at Mintz Levin and in 1992 he was promoted to partner. Mr. Kirkland received his BA from Georgetown University in Washington, D.C. in 1981 and his J.D. from Harvard Law School in 1984.

Darryl R. Matthews —Darryl Matthews currently serves as senior vice president and sector head responsible for Trimble's Agriculture, Forestry, Positioning Services, Global Services, and HarvestMark Divisions. From 2010 to 2015, Mr. Matthews served as president and general manager of the NAFTA Region for Nufarm Americas, Inc., a subsidiary of Nufarm Limited, a publicly-traded multinational agricultural chemical company. From 2008 to 2010, Mr. Matthews served as general manager of Nufarm Agriculture Inc., the Canadian subsidiary of Nufarm Limited. Mr. Matthews began his career at Dow AgroSciences in Canada where he held management roles in sales and marketing. From 2010 to 2015, he served on the Board of Directors for CropLife America. He received an Honors B.Sc. in Agriculture majoring in Horticultural Science and Business from the University of Guelph in Ontario, Canada in 1994.

Sachin J. Sankpal —Sachin Sankpal currently serves as senior vice president responsible for Rail, Utilities, Field Services Management, Applanix and Embedded Devices businesses. From 2012 to 2015, Mr. Sankpal held various general management positions within Honeywell, including president of Honeywell International's Global Safety Products Division in Paris, France, vice president and general manager of Honeywell's Safety Products Division for Europe, Middle East, Africa and India. From 2010 to 2012, he served as vice president of Global Strategic Marketing for Honeywell's Life Safety Division. From 2003 to 2010, he held various business and operational roles at Avaya, Inc., including director of Strategy and Product Management, chief operating officer of Avaya-Japan, Ltd., operations leader in India, and director of Global Restructuring. From 2001 to 2003, he served as a director of Strategy and Finance for Trimble's Engineering & Construction Division. From 1994 to 1999, Mr. Sankpal was a consultant for Navigant Consulting based in Boston, Mass. He began his career at Langan Engineering & Environmental Services as a staff engineer. He holds a BS in Civil Engineering from Rutgers University, an MS in Civil Engineering from the University of Maryland and an MBA from Dartmouth College.

Julie A. Shepard —Julie Shepard joined Trimble in December of 2006 as vice president of finance, and was appointed chief accounting officer in May 2007. Prior to joining Trimble, Ms. Shepard served as vice president of finance and corporate controller at Quantum Corporation. Ms. Shepard brings with her over 25 years of experience in a broad range of finance roles, with diverse experience ranging from early stage private equity backed technology companies to large multinational corporations. Ms. Shepard began her career at Price Waterhouse and is a Certified Public Accountant. She received a B.S in Accounting from California State University. She is a member of the AICPA, Financial Executive Institute and the California Society of CPAs.

Item 1A. Risk Factors

RISKS AND UNCERTAINTIES

You should carefully consider the following risk factors, in addition to the other information contained in this Form 10-K and in any other documents to which we refer you in this Form 10-K, before purchasing our securities. The risks and uncertainties described below are not the only ones we face.

Our annual and quarterly performance may fluctuate which could negatively impact our operations, financial results, and stock price

Our operating results have fluctuated and can be expected to continue to fluctuate in the future on a quarterly and annual basis as a result of a number of factors, many of which are beyond our control. Results in any period could be affected by:

- changes in market demand,
- competitive market conditions,
- the timing of recognizing revenues
- fluctuations in foreign currency exchange rates,
- the cost and availability of components,
- the mix of our customer base and sales channels,
- the mix of products sold,
- pricing of products,
- changes in U.S. or foreign policies on taxes, trade, or spending, including the newly enacted 2017 Tax Cuts and Jobs Act (the "Tax Act"),
- other risks, including those described below.

Seasonal variations in demand for our products may also affect our quarterly results. Construction equipment revenues have historically been the highest in early spring. Our agricultural equipment revenues have historically been the highest in the first quarter, followed by the second quarter, reflecting buying in anticipation of the spring planting season in the Northern hemisphere. If we do not accurately forecast seasonal demand we may be left with unsold inventory or have a shortage of inventory, which could negatively impact our financial results.

Due in part to the buying patterns of our customers, a significant portion of our quarterly revenue occurs from orders received and immediately shipped to customers in the last few weeks and days of each quarter, while our operating expense tends to remain fairly predictable. It could harm our operating results if for any reason expected sales are deferred, orders are not received, or shipments are delayed a few days at the end of a quarter.

The price of our common stock could decline substantially in the event any of these risks result in our financial performance being below the expectations of public market analysts and investors, which are based on historical and predictive models that are not necessarily accurate representations of the future.

The volatility of our stock price could adversely affect an investment in our common stock

The market price of our common stock has been, and may continue to be, highly volatile. During fiscal 2017, our stock price ranged from $28.61 to $43.97. We believe that a variety of factors could cause the price of our common stock to fluctuate, perhaps substantially, including:

- announcements and rumors of developments related to our business or the industry in which we compete, or related to the industries in which our customers compete,

- quarterly fluctuations in our actual or anticipated operating results and order levels,
- general conditions in the worldwide economy,
- acquisition announcements,
- new products or product enhancements announced or introduced by us or our competitors,
- disputes with respect to developments in patents or other intellectual property rights,
- security breaches,
- developments in our relationships with our partners, customers and suppliers,
- political, economic or social uncertainty, and
- acts of terrorism.

In addition, the stock market in general and the markets for shares of “high-tech” companies in particular, have frequently experienced extreme price fluctuations which have often been unrelated to the operating performance of affected companies. Any such fluctuations in the future could adversely affect the market price of our common stock.

We operate globally and are subject to significant risks in many jurisdictions.

Global or regional conditions may harm our financial results. We have operations in many countries and a significant portion of our revenue is derived from countries outside of the United States. As a result, our operations and our financial results, including our ability to design, develop, or sell products, may be adversely affected by a number of factors outside of our control, including:

- global and local economic conditions;
- the demand and cost of commodities, such as corn and oil
- the strength of the agricultural, engineering and construction markets;
- inefficient infrastructure and other disruptions, such as supply chain interruptions and large-scale outages or unreliable provision of services from utilities, transportation, data hosting, or telecommunications providers;
- government restrictions on our operations in any country, or restrictions on our ability to repatriate earnings from a particular country;
- differing employment practices and labor issues;
- formal or informal imposition of new or revised export and/or import and doing-business regulations, including trade sanctions and tariffs, which could be changed without notice;
- ineffective legal protection of our IP rights in certain countries;
- local business and cultural factors that differ from our normal standards and practices; and
- increased uncertainty regarding social, political, immigration and trade policies in the U.S. and abroad, such as recent U.S. legislation and policies and the United Kingdom's referendum to withdraw from the European Union ("Brexit").

If there is significant deterioration in the global economy, the economies of the countries or regions where our customers are located or do business, or the industries that we or our customers serve, the demand for our products and services would likely decrease and our results of operations, financial position and cash flows could be materially and adversely affected. Changes in economic conditions also make it difficult to make financial forecasts, which could cause us to miss our financial guidance and adversely affect our stock price.

We face risks inherent in conducting business internationally, including compliance with international and U.S. laws and regulations that apply to our international operations. These laws and regulations include data privacy requirements, labor relations laws, tax laws, anti-competition regulations, import and trade restrictions, export control laws, and laws which prohibit corrupt payments to governmental officials or certain payments or remunerations to customers, including the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act, or other anti-corruption laws that have recently been the subject of a substantial increase in global enforcement. Many of our products are subject to U.S. export law restrictions that limit the destinations and types of customers to which our products may be sold, or require an export license in connection with sales outside the United States. Given the high level of complexity of these laws, there is a risk that some provisions may be inadvertently or intentionally breached, for example through fraudulent or negligent behavior of individual employees, our failure to comply with certain formal documentation requirements or otherwise. Also, we may be held liable for actions taken by our local dealers and partners. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, and prohibitions or conditions on the conduct of our business. Any such violations could include prohibitions or conditions on our ability to offer our products in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business and our operating results.

A new European Union data protection law, the General Data Protection Regulation, which will become effective in May 2018, is wide-ranging in scope. In order to meet the new EU requirements, we will have to invest resources necessary to implement policy changes across our business units and services relating to how we collect and use personal data relating to customers, employees, and vendors. Failure to comply may lead to sizeable fines. In parallel, with the advent of the EU-U.S. Privacy Shield (the new framework agreement between the U.S. Department of Commerce and the European Commission for transferring personal data from the European Union to the United States) and other national requirements, we expect that the international transfer of personal data will present ongoing compliance challenges and complicate our business transactions as we negotiate and implement suitable arrangements with international customers and international and domestic vendors. Countries outside the EU are considering or have passed legislation that requires local storage and processing of data, which could increase the cost and complexity of delivering our services.

In addition, we operate in many parts of the world that have experienced significant governmental corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. We may be subject to competitive disadvantages to the extent that our competitors are able to secure business, licenses or other preferential treatment by making payments to government officials and others in positions of influence or through other methods that relevant law and regulations prohibit us from using. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties.

We may be affected by fluctuations in currency exchange rates. We are potentially exposed to adverse as well as beneficial movements in currency exchange rates. Although most of our sales occur in U.S. dollars, expenses may be paid in local currencies. An increase in the value of the dollar could increase the real cost to our customers of our products in those markets outside the U.S. where we sell in dollars, and a weakened dollar could increase the cost of expenses such as payroll, utilities, tax, and marketing expenses, as well as overseas capital expenditures. We also conduct certain investing and financing activities in local currencies. Our hedging programs reduce, but do not eliminate, the impact of currency exchange rate movements; therefore, changes in exchange rates could harm our results of operations and financial condition.

Catastrophic events or geopolitical conditions could disrupt our operations. Acts of war, acts of terrorism or civil unrest, natural disasters and other catastrophic events, especially any events that impact our larger markets or GNSS signals or systems, could have a material adverse impact on our business, operating results, and financial condition. The threat of terrorism and war and heightened security and military activity in response to this threat, or any future acts of terrorism or hostilities, may involve a redeployment of the satellites used in GNSS or interruptions of the system. Civil unrest, local conflicts, or other political instability may adversely impact regional economies, cause work stoppages, or result in limitations on business transactions with the affected foreign jurisdictions. To the extent that such interruptions result in delays or the cancellation of orders, disruption of the manufacturing or shipment of our products, or reduced demand for our products it could have a material adverse effect on our business, results of operations, and financial condition.

Engaging in international business inherently involves a number of other difficulties and risks.

These risks include:
- longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties and costs of staffing and managing foreign operations;
- differing local customer product preferences and requirements than our U.S. markets; and
- difficulties protecting or procuring intellectual property rights.

These factors or any combination of these factors may adversely affect our revenue or our overall financial performance.

We may not be able to enter into or maintain important alliances and distribution relationships

We believe that in certain business opportunities our success will depend on our ability to form and maintain alliances with industry participants, such as Caterpillar, Nikon, Hilti, and CNH Global. Our failure to form and maintain such alliances, or the preemption or disruption of such alliances by actions of competitors, will adversely affect our ability to sell our products to customers. Our relationships with substantial industry participants such as Caterpillar and CNH are complex and multifaceted, and are likely to evolve over time based upon the changing business needs and objectives of the parties. Since these strategic relationships contribute to significant ongoing business in certain of our important markets, changes in these relationships could adversely affect our sales and revenues.

We utilize dealer networks, including those affiliated with some of our strategic allies such as Caterpillar and CNH Global, to market, sell and service many of our products. Changes in our product mix, including increasing provision of software and bundled solutions tailored to the needs of specific vertical markets, impose new demands on our distribution channels and may require significant changes in the skills and expertise required to successfully distribute our products and services, or the creation of new distribution channels. Recruiting and retaining qualified channel partners and training them in the use and the selling of our technology and product offerings requires significant time and resources. In order to develop and expand our distribution channels, we must continue to expand and improve our processes and procedures that support our distribution channels, including our investment in systems and training, and those processes and procedures may become increasingly complex and difficult to manage. The time and expense required for sales and marketing organizations of our channel partners to become familiar with our product offerings, including our new product developments, and newer types of offering such as software and services, may make it more difficult to introduce those products to end-users and delay end-user adoption, which could result in lower revenues.

Disruption of dealer coverage within specific geographic or end-user markets could cause difficulties in marketing, selling or servicing our products and have an adverse effect on our business, operating results or financial condition. Moreover, dealers who carry products that compete with our products may focus their inventory purchases and sales efforts on goods provided by competitors due to industry demand or profitability. Such sourcing decisions can adversely impact our sales, financial condition and results of operations.

Investing in and integrating new acquisitions could be costly, place a significant strain on our management systems and resources, or may fail to deliver the expected return on investment, which could negatively impact our operating results

We typically acquire a number of businesses each year, and intend to continue to acquire other businesses. Acquisitions entail numerous risks, including:

- potential inability to successfully integrate acquired operations and products or to realize cost savings or other anticipated benefits from integration;
- loss of key employees or customers of acquired operations;
- difficulty of assimilating geographically dispersed operations and personnel of the acquired companies;
- potential disruption of our business or the acquired business;
- unanticipated expenses related to acquisitions;
- unanticipated difficulties in conforming business practices, policies, procedures, internal controls, and financial records of acquisitions with our own business;
- impairment of relationships with employees, customers, vendors, distributors or business partners of either an acquired company or our own business;
- inability to accurately forecast the performance of recently acquired businesses, resulting in unforeseen adverse effects on our operating results;
- potential liabilities, including liabilities resulting from known or unknown compliance or legal issues, associated with an acquired business; and
- negative accounting impact to our results of operations because of purchase accounting treatment and the business or accounting practices of acquired companies.

Any such effects from acquisitions could be costly and place a significant strain on our management systems and resources.

As a result of acquisitions, we have significant assets that include goodwill and other purchased intangibles. The testing of goodwill and intangibles for impairment under established accounting guidelines requires significant use of judgment and assumptions. Changes in business conditions or in the prospects or results of operations of the acquired business could require negative adjustments to the valuation of these assets resulting in write-offs which adversely affect our results. If we divest a business and the proceeds are less than the net book value at the time, we would be forced to write off the difference. In addition, changes in the operating results or stock price of companies in which we have investments may have a direct impact on our financial statements or could result in our having to write-down the value of such investment.

Even if successfully negotiated and closed, acquisitions may not yield expected synergies, may not advance our business strategy as expected, may fall short of expected return-on-investment targets, or may not prove successful or effective for our business. Companies that we acquire may operate with different cost and margin structures, which could further cause fluctuations in our operating results and adversely affect our operating margins.

Our internal and customer-facing systems, and systems of third parties we rely upon, may be subject to disruption, delays or cybersecurity breaches

A cybersecurity incident in our own systems or the systems of our third party providers may compromise the confidentiality, integrity, or availability of our own internal data, the availability of our products and websites designed to support our customers, or our customer data. Computer hackers, foreign governments or cyber terrorists may attempt to or succeed in penetrating our network security and our website. Unauthorized access to our proprietary business information or customer data may be obtained through break-ins, sabotage, breach of our secure network by an unauthorized party, computer viruses, computer denial-of-service attacks, employee theft or misuse, breach of the security of the networks of our third party providers, or other misconduct. We have experienced security breaches in the past, and despite our efforts to maintain the security and integrity of our systems, it is virtually impossible to eliminate this risk. We have experienced security breaches in the past, and despite our efforts to maintain the security and integrity of our systems, it is virtually impossible to eliminate this risk. For example, in late 2015 and early 2016, we were the subject of an attack by hackers operating in China. This incident resulted in the theft of proprietary and confidential data related to our GPS technology but has not had a meaningful impact on our business. Because the techniques used by computer hackers who may attempt to penetrate and sabotage our network security or our website change frequently, they may take advantage of weaknesses in third party technology or standards of which we are unaware or that we do not control, and may not be recognized until after they have been launched against a target. We may be unable to anticipate or counter these techniques. It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers, vendors or business partners. A cybersecurity incident affecting our systems may also result in theft of our intellectual property, proprietary data or trade secrets, which would compromise our competitive position, reputation and operating results.

The systems we rely upon also remain vulnerable to damage or interruption from a number of other factors, including access to the internet, the failure of our network or software systems, or significant variability in visitor traffic on our product websites, earthquakes, floods, fires, power loss, telecommunication failures, computer viruses, human error, and similar events or disruptions. Some of our systems are not fully redundant, and our disaster recovery planning is not sufficient for all eventualities. Our systems are also subject to intentional acts of vandalism. Despite any precautions we may take, the occurrence of a natural disaster, a decision by any of our third-party hosting providers to close a facility we use without adequate notice for financial or other reasons, or other unanticipated problems at our hosting facilities could cause system interruptions and delays, and result in loss of critical data and lengthy interruptions in our services.

We rely on our information systems and those of third parties for activities such as processing customer orders, delivery of products, hosting and providing services and support to our customers, billing and tracking our customers, hosting and managing our customer data, and otherwise running our business. Any disruptions or unexpected incompatibilities in our information systems and those of the third parties upon whom we rely could have a significant impact on our business.

An increasing portion of our revenue comes from software as a service ("SaaS") solutions and other hosted services in which we store, retrieve, communicate and manage data which is critical to our customers' business systems. Disruption of our systems which support these services and solutions could cause disruptions in our customers' systems and in the businesses that rely on these systems. Any such disruptions could harm our reputation, create liabilities to our customers, hurt demand for our services and solutions, and negatively impact our revenues and profitability.

Our products are highly technical and may contain undetected errors, product defects, security vulnerabilities or software errors

Our products, including our software products, are highly technical and complex and, when deployed, may contain errors, defects or security vulnerabilities. We must develop our products quickly to keep pace with the rapidly changing market, and we have a history of frequently introducing new products. Products and services as sophisticated as ours could contain undetected errors or defects, especially when first introduced or when new models or versions are released. Such occurrences could result in damage to our reputation, lost revenue, diverted development resources, increased customer service and support costs, warranty claims, and litigation.

We warrant that our products will be free of defect for various periods of time, depending on the product. In addition, certain of our contracts include epidemic failure clauses. If invoked, these clauses may entitle the customer to return or obtain credits for products and inventory, or to cancel outstanding purchase orders even if the products themselves are not defective.

Errors, viruses or bugs may be present in software or hardware that we acquire or license from third parties and incorporate into our products or in third party software or hardware that our customers use in conjunction with our products. Our customers' proprietary software and network firewall protections may corrupt data from our products and create difficulties in implementing our solutions. Changes to third party software or hardware that our customers use in conjunction with our software could also render our applications inoperable. Any errors, defects or security vulnerabilities in our products or any defects in, or compatibility issues with, any third party hardware or software or customers' network environments discovered after commercial release could result in loss of revenues or delay in revenue recognition, loss of customers, theft of trade secrets, data or intellectual property and increased service and warranty cost, any of which could adversely affect our business, financial condition and results of operations.

Undiscovered vulnerabilities in our products alone or in combination with third party hardware or software could expose them to hackers or other unscrupulous third parties who develop and deploy viruses, and other malicious software programs that could attack our products. Actual or perceived security vulnerabilities in our products could harm our reputation and lead some customers to return products, to reduce or delay future purchases or use competitive products.

If we are unable to effectively manage our increasingly diverse and complex businesses and operations, our ability to generate growth and revenue from new or existing customers may be adversely affected

Because our operations are geographically diverse and increasingly complex, our personnel resources and infrastructure could become strained and our reputation in the market and our ability to successfully manage and grow our business may be adversely affected. The size, complexity and diverse nature of our business and the expansion of our product lines and customer base have placed increased demands on our management and operations, and further growth, if any, may place additional strains on our resources in the future. Our ability to effectively compete and to manage our planned future growth will depend on, among other things, the following:

- maintaining continuity in our senior management and key personnel,
- increasing the productivity of our existing employees,
- attracting, retaining, training and motivating our employees, particularly our technical and management personnel,
- deploying our solutions using third-party information systems, which may require changes to our applications, documentation and operational processes,
- improving our operational, financial and management controls, and
- improving our information reporting systems and procedures.

The company has increasingly diversified the nature of its businesses both organically and by acquisition. As a result, an increasing amount of our business involves business models which require managerial techniques and skill sets which are different from those required to manage our historical core businesses.

Over the last few years we have focused more on SaaS subscription models. As a result, we expect to derive an increasing portion of our revenues in the future from subscriptions. This subscription model provides our customers the right to access certain of our software in a hosted environment or use downloaded software for a specified subscription period. Market acceptance of such offerings is affected by a variety of factors, including but not limited to: security, reliability, performance, current license terms, customer preference, social/community engagement, customer concerns with entrusting a third party to store and manage their data, public concerns regarding privacy and the enactment of restrictive laws or regulations. If we are unable to successfully account for, support and host our SaaS offerings in light of the foregoing risks and uncertainties, our results of operations could be negatively impacted.

Changes in our software and subscription businesses may negatively affect our operations and financial results

An increasing portion of our revenue is generated through software maintenance and subscription revenue. Our customers have no obligation to renew their agreements for our software maintenance or subscription services after the expiration of their initial contract period, which typically ranges from one to five years. Our customer acquisition and renewal rates may decline or fluctuate as a result of a number of factors, including overall economic conditions, the health of their businesses, competitive offerings and customer dissatisfaction with our services. If customers do not renew their contracts for our products, our maintenance and subscription revenue will decline and our financial results will suffer. Any reduction in the number of licenses that we sell, even if our customer acquisition rates do not change, will have a negative impact on our future maintenance revenue growth. Since its introduction, our software as a service delivery model has also contributed to subscription revenue. If any of our assumptions about expenses, revenue or revenue recognition principles from these initiatives proves incorrect, or our attempts to improve efficiency are not successful, our actual results may vary materially from those anticipated, and our financial results will be negatively impacted.

We continually re-evaluate our software licensing programs and subscription renewal programs, including specific license models, delivery methods, and terms and conditions. Changes to our licensing programs and subscription renewal programs, including the timing of the release of enhancements, upgrades, maintenance releases, the term of the contract, discounts, promotions and other factors, could impact the timing of the recognition of revenue for our products, related enhancements and services and could adversely affect our operating results and financial condition. We may implement different licensing models which require the Company to recognize licensing fees over a longer period. Over the last few years, we have increasingly offered additional products through a SaaS model. SaaS revenues are currently recognized ratably over the subscription period. Any significant increase in the percentage of our business generated from such a subscription model could increase the amount of revenue to be recognized over time as opposed to upfront, which would delay revenue recognition and have a negative impact on our operating results in any quarterly period. Due to these complexities, we may not be able to accurately forecast our revenue, which could cause us to miss our earnings estimates or revenue projections and negatively impact our stock price.

We face substantial competition in our markets which could decrease our revenue and growth rates or impair our operating results and financial condition

Our markets are highly competitive and we expect that both direct and indirect competition will increase in the future. Our overall competitive position depends on a number of factors including the price, quality and performance of our products, the effectiveness of our distribution channel and direct sales force, the level of customer service, the development of new technology and our ability to participate in emerging markets. Within each of our markets, we encounter direct competition from other GNSS, software, optical and laser suppliers and competition may intensify from various larger U.S. and non-U.S. competitors and new market entrants, particularly from emerging markets such as China. Our products, which commonly use GNSS for basic location information, may be subject to competition from alternative location technologies such as simultaneous location and mapping technology **.** As we sell an increasing amount of software and subscription services, we face competition from a group of large well established companies with whom we have not previously competed. Our integrated hardware and software products may be subject to increasing competition from mass market devices such as smartphones and tablets used in conjunction with relatively inexpensive applications, which have not been heavily used for commercial applications in the past. These developments may require us to rapidly adapt to technological and customer preference changes that we have not previously been exposed to, including those related to cloud computing, mobile devices and new computing platforms. Such competition has in the past resulted and in the future may result in price reductions, reduced margins or loss of market share, any of which could decrease our revenue and growth rates or impair our operating results and financial condition. We believe that our ability to compete successfully in the future against existing and additional competitors will depend largely on our ability to execute our strategy to provide products with significantly differentiated features compared to currently available products. We may not be able to implement this strategy successfully, and our products may not be competitive with other technologies or products that may be developed by our competitors, many of whom have significantly greater financial, technical, manufacturing, marketing, sales, and other resources than we do.

We are dependent on new products and services and if we are unable to successfully introduce them into the market, or to effectively compete with new, disruptive product alternatives, our customer base may decline or fail to grow as anticipated

Our future revenue stream depends to a large degree on our ability to bring new products and services to market on a timely basis. We must continue to make significant investments in research and development in order to continue to develop new products and services, enhance existing products and achieve market acceptance of such products and services. We may encounter problems in the future in innovating and introducing new products and services. Our development stage products may not be successfully completed or, if developed, may not achieve significant customer acceptance. Development and manufacturing schedules for technology products are difficult to predict, and we might not achieve our goals as to the timing of introducing new technology products, or could encounter increased costs. The timely availability and cost effective production of these products in volume and their acceptance by customers are important to our future success. If we are unable to introduce new products and services, if other companies develop competing technology products and services, or if we do not develop compelling new products and services, our number of customers may not grow as anticipated, or may decline, which could harm our operating results. Many of our offerings are increasingly focused on software and SaaS subscription services. The software industry is characterized by rapidly changing customer preferences which require us to address multiple delivery platforms, new mobile devices and cloud computing. Life cycles of software products can be short and this can exacerbate the risks associated with developing new products. The introduction of third-party solutions embodying new, disruptive technologies and the emergence of new industry standards could make our existing and future software solutions and other products obsolete or non-competitive. If we are not able to develop software and other solutions that address the increasingly sophisticated needs of our customers, or if we are unable to adapt to new platforms, technologies or new industry standards that impact our markets, our ability to retain or increase market share and operating results could be materially adversely affected.

Changes in our effective tax rate may reduce our net income in future periods

As a global company, we are subject to income and other taxes in the United States and numerous foreign jurisdictions. Significant judgment is required to determine and estimate worldwide tax liabilities. Our effective tax rate is largely based on the geographic mix of earnings, statutory rates, inter-company transfer pricing, and enacted tax laws. A number of factors may increase our future effective tax rates, including:

- the jurisdictions in which profits are determined to be earned and taxed,
- the resolution of issues arising from tax audits with U.S. and foreign tax authorities,
- changes in our intercompany transfer pricing methodology,
- changes in the valuation of our deferred tax assets and liabilities,
- increases in expense not deductible for tax purposes, including transaction costs and impairments of goodwill in connection with acquisitions,
- changes in the realizability of available tax credits,
- changes in share-based compensation,
- changes in tax laws or the interpretation of such tax laws, including the Tax Act and the Base Erosion and Profit Shifting ("BEPS") project conducted by the Organization for Economic Co-operation and Development ("OECD"), and
- changes in generally accepted accounting principles.

We are subject to taxation in the U.S. and numerous foreign jurisdictions. On December 22, 2017, the U.S. government enacted the Tax Act. The changes included in the Tax Act are broad and complex. The final transition impacts of the Tax Act may differ from the estimates provided elsewhere in this report, possibly materially, due to, among other things, changes in interpretations of the Tax Act, any legislative action to address questions that arise because of the Tax Act, any changes in accounting standards for income taxes or related interpretations in response to the Tax Act, or any updates or changes to provisional estimates we have recorded regarding the Tax Act impacts, including impacts from changes to foreign earnings estimates. The impact of the newly enacted Tax Act to our future effective tax rates is uncertain and could adversely affect our effective tax rates. The implementation by us of new practices and processes designed to comply with, and benefit from, the Tax Act and its rules and regulations could require us to make substantial changes to our business practices, allocate additional resources, and increase our costs, which could negatively affect our business, results of operations and financial condition.

Additionally, longstanding international tax norms that determine each country's jurisdiction to tax cross-border international trade are evolving as a result of the BEPS reporting requirements recommended by the G8, G20 and the OECD. On October 5, 2015, the OECD issued a series of reports recommending changes to numerous long-standing tax principles. Many of these recommendations are being adopted by various countries in which we do business and may increase our taxes in these countries. The foreign countries where we do business may change tax laws, regulations, and interpretations on a prospective or retroactive basis and these potential changes could adversely affect our effective tax rates. As these and other tax laws and related regulations change, our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is very difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely impact our financial results.

We are currently in various stages of multiple year examinations by federal, state, and foreign taxing authorities, including a review of our 2010 to 2012 tax years by the U.S. Internal Revenue Service, or IRS. If the IRS or the taxing authorities of any other jurisdiction were to successfully challenge a material tax position, we could become subject to higher taxes and our earnings would be adversely affected.

Our reported financial results may be adversely affected by changes in accounting principles applicable to us

Generally accepted accounting principles in the U.S. are subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and other bodies formed to promulgate and interpret appropriate accounting principles. For example, in May 2014, the FASB issued a comprehensive new revenue recognition standard ("ASC 606") that replaces the current revenue recognition guidance under U.S. GAAP, effective in fiscal 2018. The ASC 606 revenue recognition standard establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The standard also provides guidance on the recognition of costs related to obtaining and fulfilling customer contracts. This new standard is both technical and complex and we have incurred significant costs to implement and maintain compliance with this new standard. The new standard may impact the timing and amounts of revenue recognized. Similarly, a new lease standard ("ASC 842"), effective in fiscal 2019, replaces the current lease standard. Most prominent is the recognition of assets and liabilities by lessees for those leases classified as operating leases under the current lease standard. Adoption of the new revenue recognition standard, and lease standard, along with any other changes in accounting principles or interpretations could also have a significant effect on our reported financial results. Any difficulties in the implementation of new or changed accounting standards could cause us to fail to meet our financial reporting obligations. If our estimates relating to our critical accounting policies are based on assumptions or judgments that change or prove to be incorrect, our operating results could fall below expectations of securities analysts and investors, resulting in a decline in our stock price.

Our debt could adversely affect our cash flow and prevent us from fulfilling our financial obligations

On November 24, 2014, we issued Senior Notes ("Notes") due December 1, 2024 in an aggregate principal amount of $400.0 million. The Notes accrue interest at a rate of 4.75% per annum, payable semi-annually in arrears on December 1 and June 1 of each year, beginning on June 1, 2015. When the Notes mature, we will have to expend significant resources to repay these Notes or seek to refinance them. If we decide to refinance the Notes, we may be required to do so on different or less favorable terms or we may be unable to refinance the Notes at all, both of which may adversely affect our financial condition.

On November 24, 2014, we entered into a new five-year credit agreement with a group of lenders (the "2014 Credit Facility"). The 2014 Credit Facility provides for an unsecured revolving loan facility of $1.0 billion. Subject to the terms of the 2014 Credit Facility, the revolving loan facility may be increased and term loan facilities may be established in an amount of up to $500.0 million. We also have two $75.0 million revolving credit facilities which are uncommitted and may be called by the lenders with very little notice (the "Uncommitted Facilities"). At the end of fiscal 2017, our total debt was comprised primarily of Notes of $400.0 million, a revolving loan balance of $389.0 million under the 2014 Credit Facility and a revolving credit line balance of $128.0 million under the Uncommitted Facilities.

On February 2, 2018, we entered into a $300.0 million Revolving Credit Agreement (the "2018 Interim Credit Facility"), by and between the Company and The Bank of Nova Scotia in connection with the acquisition of e-Builder, Inc., a Florida corporation.

As of February 2, 2018, after giving effect to the borrowings made on the closing date, we had outstanding $300.0 million aggregate principal amount of revolving loans under this credit facility.

Our outstanding indebtedness could have important consequences, such as:

- requiring us to dedicate a portion of our cash flow from operations and other capital resources to debt service, thereby reducing our ability to fund working capital, capital expenditures, general corporate purposes, and other cash requirements, particularly if the ratings assigned to our debt securities by rating organizations were revised downward,
- increasing our vulnerability to adverse economic and industry conditions,
- reducing our ability to make investments and acquisitions which support the growth of the company, or to repurchase shares of our common stock,
- limiting our flexibility in planning for, or reacting to, changes and opportunities in, our industry, which may place us at a competitive disadvantage, and
- limiting our ability to incur additional debt on acceptable terms, if at all.

There are various financial covenants and other restrictions in our debt instruments. If we fail to comply with any of these requirements, the related indebtedness (and other unrelated indebtedness) could become due and payable prior to its stated maturity, and we may not be able to repay the indebtedness that becomes due. A default under our debt instruments may also significantly affect our ability to obtain additional or alternative financing.

Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. A significant portion of our outstanding debt has interest rates which float based on prevailing interest rates. If interest rates increase, our interest expense will also increase.

Our ability to incur additional indebtedness over time may be limited due to applicable financial covenants and restrictions, and due to the risk that significantly increasing our level of indebtedness could impact the ratings assigned to our debt securities by rating organizations, which in turn would increase the interest rates and fees that we pay in connection with our indebtedness.

Some of our products rely on third party technologies including open source software, which could result in product incompatibilities or harm availability of our products and services

We license software, technologies and intellectual property underlying some of our software from third parties. The third party licenses we rely upon may not continue to be available to us on commercially reasonable terms, or at all, and the software and technologies may not be appropriately supported, maintained or enhanced by the licensors, resulting in development delays. Some software licenses are subject to annual renewals at the discretion of the licensors. In some cases, if we were to breach a provision of these license agreements, the licensor could terminate the agreement immediately. The loss of licenses to, or inability to support, maintain and enhance, any such third party software or technology could result in increased costs, or delays in software releases or updates, until such issues have been resolved. This could have a material adverse effect on our business, financial condition, results of operations, cash flows and future prospects.

We also incorporate open source software into our products. Although we monitor our use of open source software, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to market or sell our products or to develop new products. In such event, we could be required to seek licenses from third-parties in order to continue offering our products, to disclose and offer royalty-free licenses in connection with our own source code, to re-engineer our products or to discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis, any of which could adversely affect our business.

We are dependent on proprietary technology, which could result in litigation that could divert significant valuable resources

Our future success and competitive position is dependent upon our proprietary technology, and we rely on patent, trade secret, trademark, and copyright laws to protect our intellectual property. The patents owned or licensed by us may be invalidated, circumvented, infringed or challenged. The rights granted under these patents may not provide competitive advantages to us. Any of our pending or future patent applications may not be issued within the scope of the claims sought by us, if at all.

Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or otherwise obtain our software or develop software with the same functionality or to obtain and use information that we regard as proprietary. Others may develop technologies that are similar or superior to our technology, duplicate our technology or design around the patents owned by us. In addition, effective copyright, patent and trade secret protection may be unavailable, limited or not applied for in certain countries. The steps taken by us to protect our technology might not prevent the misappropriation of such technology.

The value of our products relies substantially on our technical innovation in fields in which there are many current patent filings. Third-parties may claim that we or our customers (some of whom are indemnified by us) are infringing their intellectual property rights. For example, individuals and groups may purchase intellectual property assets for the purpose of asserting claims of infringement and attempting to extract settlements from us or our customers. The number of these claims has increased in recent years and may continue to increase in the future. As new patents are issued or are brought to our attention by the holders of such patents, it may be necessary for us to secure a license from such patent holders, redesign our products, or withdraw products from the market. In addition, the legal costs and engineering time required to safeguard intellectual property or to defend against litigation could become a significant expense of operations. Any such litigation could require us to incur substantial costs and divert significant valuable resources, including the efforts of our technical and management personnel, which could harm our results of operations and financial condition.

We are dependent on a specific manufacturer and assembler for many of our products and on other manufacturers, and specific suppliers of critical parts for our products

We are substantially dependent upon Flex Ltd. as our preferred manufacturing partner for many of our GNSS products. Under our agreement with Flex, we provide a twelve-month product forecast and place purchase orders with Flex at least thirty calendar days in advance of the scheduled delivery of products to our customers, depending on production lead time. Although purchase orders placed with Flex are cancelable, the terms of the agreement would require us to purchase from Flex all inventory not returnable or usable by other Flex customers. Accordingly, if we inaccurately forecast demand for our products, we may be unable to obtain adequate manufacturing capacity from Flex to meet customers' delivery requirements or we may accumulate excess inventories, if such inventories are not usable by other Flex customers. Our current contract with Flex continues in effect until either party gives the other ninety days written notice.

We rely on specific suppliers for a number of our critical components and on other contract manufacturers, including Benchmark Electronics and Jabil, for the manufacture, test and assembly of certain products and components. We have experienced shortages of components in the past. Our current reliance on specific or a limited group of suppliers and contract manufacturers involves risks, including a potential inability to obtain an adequate supply of required components, reduced control over pricing and delivery schedules, discontinuation of or increased prices for certain components, and economic conditions which may adversely impact the viability of our suppliers and contract manufacturers. This situation may be exacerbated during any period of economic recovery or a competitive environment. Any inability to obtain adequate deliveries or any other circumstance that would require us to seek alternative sources of supply or to manufacture, assemble and test such components internally could significantly delay our ability to ship our products, which could damage relationships with current and prospective customers and could harm our reputation and brand as well as our operating results.

We are dependent on the availability and unimpaired use of allocated bands within the radio frequency spectrum and our products may be subject to harmful interference from new or modified spectrum uses

Our GNSS technology is dependent on the use of satellite signals and on terrestrial communication bands. International allocations of radio frequency are made by the International Telecommunications Union ("ITU"), a specialized technical agency of the United Nations. These allocations are further governed by radio regulations that have treaty status and which may be subject to modification every two to three years by the World Radio Communication Conference. Each country also has regulatory authority over how each band is used in the country. In the United States, the Federal Communications Commission ("FCC") and the National Telecommunications and Information Administration share responsibility for radio frequency allocations and spectrum usage regulations.

Any ITU or local reallocation of radio frequency bands, including frequency band segmentation and sharing of spectrum, or other modifications of the permitted uses of relevant frequency bands, may materially and adversely affect the utility and reliability of our products and have significant negative impacts on our customers, both of which could reduce demand for our products. For example, the FCC has been considering proposals to repurpose spectrum adjacent to the GPS bands for terrestrial broadband wireless operations throughout the United States. If the FCC were to permit implementation of such proposals, or similar proposals, terrestrial broadband wireless operations could create harmful interference to GPS receivers within range of such operations and impose costs to retrofit or replace affected receivers. Similarly, other countries have considered proposals for use of frequencies used by our products as well as adjacent bands that could cause harmful interference to our products.

Many of our products use other radio frequency bands, such as the public land mobile radio bands, together with the GNSS signal, to provide enhanced GNSS capabilities, such as real-time kinematics precision. The continuing availability of these non-GNSS radio frequencies is essential to provide enhanced GNSS products to our precision survey, agriculture, and construction machine controls markets. In addition, transmissions and emissions from other services and equipment operating in adjacent frequency bands or in-band may impair the utility and reliability of our products. Any regulatory changes in spectrum allocation or in allowable operating conditions could have a material adverse effect on our business, results of operations, and financial condition.

Many of our products rely on GNSS technology, GPS and other satellite systems, which may become degraded or inoperable and result in lost revenue

GNSS technology, GPS satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible intentional disruption. Many of the GPS satellites currently in orbit were originally designed to have lives of 7.5 years and are subject to damage by the hostile space environment in which they operate. However, of the current deployment of 31 operational satellites in orbit, seven have been in operation for more than 15 years, and over half have been in use for more than 7.5 years. Repair of damaged or malfunctioning satellites is currently not economically feasible. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites below the 24-satellite standard established for GPS may impair the utility of the GPS system and the growth of current and additional market opportunities. In addition, software updates to GPS satellites and ground control segments can cause problems, and we depend on public access to open technical specifications in advance of such updates to mitigate these problems.

We are dependent on continued operation of GPS, the principal GNSS currently in operation. The GPS constellation is operated by the U. S. Government, which is committed to maintenance and improvement of GPS. If supporting policies were to change, or if user fees were imposed, it could have a material adverse effect on our business, results of operations, and financial condition.

Many of our products also use signals from systems that augment GPS, such as the Wide Area Augmentation System and National Differential GPS System, and satellites transmitting signal corrections data on mobile satellite services frequencies utilized by our RTX corrections services. Some of these augmentation systems are operated by the U.S. government and rely on continued funding and maintenance of these systems. Any curtailment of the operating capability of these systems or limitations on access to, or use of the signals, or discontinuance of service could result in degradation of our services or product performance, with an adverse effect on our business.

Many of our products use satellite signals from the Russian GLONASS System. Other countries, including China and India, are in the process of creating their own GNSS systems, and we either have developed or will develop products which use GNSS signals from these systems. The European community is developing an independent radio navigation satellite system, known as Galileo. National or European authorities may provide preferential access to signals to companies associated with their markets, including our competitors, which could harm our competitive position. Use of non-US GNSS signals may also be subject to FCC waiver requirements and to restrictions based upon international trade or geopolitical considerations. If we are unable to develop timely and competitive commercial products using these systems, or obtain timely and equal access to service signals, this could result in lost revenue. These authorities may also adopt protectionist measures favoring national companies who make use of their GNSS systems, to the detriment of Trimble products using the U.S. GPS system, which would harm our business.

We are subject to the impact of governmental and other certifications processes and regulations which could adversely affect our products and our business

We market many products that are subject to governmental regulations and certifications before they can be sold. The European Union increasingly regulates the use of our products on agriculture, construction, and other types of machinery. CE certification is required for GNSS receivers and data communications products, which must conform to the European harmonized GNSS receiver standard and the radio equipment directive, to be sold in the European community. Delays in publication of the European harmonized GNSS receiver standard could affect GNSS product access to European markets. In the future, U.S. governmental authorities may propose GPS receiver testing and certification for compliance with published GPS signal interface or other specifications. An inability to obtain any such certifications in a timely manner could have an adverse effect on our operating results. Governmental authorities may also propose other forms of GPS receiver performance standards, which may limit design alternatives, hamper product innovation or impose additional costs. Some of our products that use integrated radio communication technology require product type certification and some products require an end-user to obtain licensing from the FCC for frequency-band usage. An inability or delay in obtaining such certifications or changes in applicable rules could adversely affect our ability to bring our products to market which could harm our customer relationships and therefore, our operating results. Compliance with evolving product regulations in our major markets could require that we redesign our products, cease selling products in certain markets, and increase our costs of product development. Failure to comply may result in fines and limitations on sales of our products.

We have claims and lawsuits against us that may result in adverse outcomes

We are subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. Litigation and other claims are subject to inherent uncertainties and the outcomes can be difficult to predict. Management may not adequately reserve for a contingent liability, or may suffer unforeseen liabilities, which could then impact the results of a financial period. A material adverse impact on our consolidated financial statements could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable which, if not expected, could harm our results of operations and financial condition.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Our corporate headquarters is located in Sunnyvale, California where we lease approximately 139 thousand square feet. We also currently own approximately 310 thousand square feet in Dayton, Ohio and 251 thousand square feet in Westminster, Colorado, of which 126 thousand square feet is currently under construction to extend the current office. These facilities are used by all operating segments. In addition, we own and lease a number of offices throughout the United States and various international locations primarily for sales, manufacturing and other functions; the largest properties include space in the following locations:

Sweden, Finland, India, New Zealand, Germany, and Canada. For financial information regarding obligations under leases, see Note 8 to the consolidated financial statements.

We believe that our existing facilities are adequate to support current and near term operations.

Item 3. Legal Proceedings

On September 2, 2011, Recreational Data Services, LLC filed a lawsuit in the Superior Court for the State of Alaska in Anchorage against Trimble Navigation Limited, Cabela’s Incorporated, AT&T Mobility and Alascom, Inc., alleging breach of contract, breach of fiduciary duty, interference with contract, promissory estoppel, fraud, and negligent misrepresentation. The case was tried in front of a jury in Alaska beginning on September 9, 2014. On September 26, 2014, the jury returned a verdict in favor of the plaintiff and awarded the plaintiff damages of $51.3 million. On January 29, 2015, the court granted our Motion for Judgment Notwithstanding the Verdict, and on March 18, 2015, the court awarded us a portion of its incurred attorneys’ fees and costs, and entered judgment in our favor in the amount of $0.6 million. The judgment also provides that the plaintiff take nothing on its claims. On April 17, 2015, the plaintiff filed a Notice of Appeal to the Alaska Supreme Court. On March 24, 2017, the Alaska Supreme Court affirmed, in part, and reversed, in part, the trial court's decision. The Alaska Supreme Court affirmed the trial court's determination that plaintiff had not proven damages and was not entitled to recover any lost profits, and remanded the case to the trial court for an award of nominal damages to plaintiff. On December 8, 2017, the trial court entered judgment awarding nominal damages (one Dollar) to plaintiff. On December 22, 2017, plaintiff filed a Petition for Writ of Certiorari with the U.S. Supreme Court seeking further review of the Alaska Supreme Court’s decision.

From time to time, we are also involved in litigation arising out of the ordinary course of our business. There are no other material legal proceedings, other than ordinary routine litigation incidental to the business, to which we or any of our subsidiaries is a party or of which any of our or our subsidiaries' property is subject.

Item 4. Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the NASDAQ under the symbol "TRMB." The table below sets forth, during the periods indicated, the high and low per share sale prices for our common stock as reported on the NASDAQ.

	2017		2016	
	Sales Price		Sales Price	
Quarter Ended	**High**	**Low**	**High**	**Low**
First quarter	$32.34	$28.61	$25.44	$18.36
Second quarter	$37.37	$30.45	$27.79	$22.68
Third quarter	$40.30	$35.63	$28.72	$23.69
Fourth quarter	$43.97	$39.19	$30.84	$25.30

Stock Repurchase Program

In November 2017, our Board of Directors approved a stock repurchase program ("2017 Stock Repurchase Program"), authorizing us to repurchase up to $600.0 million of Trimble's common stock. The share repurchase authorization does not have an expiration date and replaces the 2015 Stock Repurchase Program, which was completed. The timing and amount of repurchase transactions will be determined by our management based on its evaluation of market conditions, share price, legal requirements and other factors. The program may be suspended, modified or discontinued at any time without public notice.

During fiscal 2017 , we repurchased approximately 7.4 million shares of common stock in open market purchases under the 2017 and 2015 Stock Repurchase Programs, at an average price of $39.18 per share, for a total of $288.3 million. At the end of fiscal 2017 , the 2017 Stock Repurchase Program had remaining authorized funds of $442.2 million.

The following table provides information relating to our common stock repurchase activity during the fourth quarter of 2017 :

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Dollar Value of Shares that May Yet Be Purchased Under the Program
September 30, 2017 - November 3, 2017	466,677	$40.61	466,677	$ 68
November 4, 2017 - December 1, 2017	2,032,695	41.83	2,032,695	514,981,085
December 2, 2017 - December 29, 2017	1,768,271	$41.18	1,768,271	$ 442,157,523
	4,267,643		4,267,643	

As of February 22, 2018, there were approximately 591 holders of record of our common stock.

Dividend Policy

We have not declared or paid any cash dividends on our common stock during any period for which financial information is provided in this Annual Report on Form 10-K. At this time, we intend to retain future earnings, if any, to fund the development and growth of our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future.

Item 6. Selected Financial Data

The following selected consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes appearing elsewhere in this annual report. Historical results are not necessarily indicative of future results. In particular, because the results of operations and financial condition related to our acquisitions are included in our Consolidated Statements of Income and Consolidated Balance Sheets data commencing on those respective acquisition dates, comparisons of our results of operations and financial condition for periods prior to and subsequent to those acquisitions are not indicative of future results.

Fiscal Years	**2017**	**2016**	**2015**	**2014**	**2013**
(Dollar in millions, except per share data)					
Revenue	$ 2,654.2	$ 2,362.2	$ 2,290.4	$ 2,395.5	$ 2,288.1
Gross margin	$ 1,392.6	$ 1,238.0	$ 1,202.2	$ 1,290.8	$ 1,203.8
Gross margin percentage	52.5%	52.4%	52.5%	53.9%	52.6%
Net income attributable to Trimble Inc.	$ 121.1	$ 132.4	$ 121.1	$ 214.1	$ 218.9
Net income	$ 121.2	$ 132.2	$ 120.7	$ 213.9	$ 218.2
Earnings per share					
—Basic	$ 0.48	$ 0.53	$ 0.47	$ 0.82	$ 0.85
—Diluted	$ 0.47	$ 0.52	$ 0.47	$ 0.81	$ 0.84
Shares used in calculating basic earnings per share	252.1	250.5	255.8	260.1	256.6
Shares used in calculating diluted earnings per share	256.7	253.9	258.5	264.5	261.2

At the End of Fiscal Year	**2017**	**2016**	**2015**	**2014**	**2013**
(Dollar in millions)					
Total assets	$ 4,298.2	$ 3,673.8	$ 3,680.7	$ 3,855.9	$ 3,693.5
Long-term debt and other non-current liabilities	$ 947.5	$ 603.4	$ 717.9	$ 766.8	$ 729.8

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and the related notes. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and those listed under "Risks Factors."

EXECUTIVE LEVEL OVERVIEW

Trimble Inc. is a leading provider of technology solutions that optimize the work processes of office and mobile field professionals around the world. Our comprehensive work process solutions are used across a range of industries including agriculture, architecture, civil engineering, construction, government, natural resources, transportation and utilities. Representative Trimble customers include engineering and construction firms, contractors, surveying companies, farmers and agricultural companies, transportation and logistics companies, energy, utility companies, and state, federal and municipal governments.

Trimble focuses on integrating its broad technological and application capabilities to create vertically-focused, system-level solutions that transform how work is done within the industries we serve. The integration of sensors, software, connectivity, and information in our portfolio gives us the unique ability to provide an information model specific to the customer's workflow. For example, in construction, our strategy is centered on the concept of a "constructible model" which is at the center of our "Connected Site" solutions which provide real-time, connected, and cohesive information environments for the design, build, and operational phases of construction projects. In agriculture, we continue to develop "Connected Farm" solutions to optimize operations across the agriculture workflow. In transportation and logistics, our "Connected Fleet" solutions provide transportation companies with tools to enhance fuel efficiency, safety, and transparency through connected vehicles and fleets across the enterprise.

Our growth strategy is centered on multiple elements:

- *Focus on attractive markets with significant growth and profitability potential* - We focus on large markets historically underserved by technology that offer significant potential for long-term revenue growth, profitability and market leadership. Our core industries such as construction, agriculture, and transportation markets are each multi-trillion dollar global industries which operate in increasingly demanding environments with technology adoption in the early phases relative to other industries. With the emergence of mobile computing capabilities, the increasing technological know-how of end users and the compelling return on investment to our customers, we believe many of our markets are attractive for substituting Trimble's technology and solutions in place of traditional operating methods.
- *Domain knowledge and technological innovation that benefit a diverse customer base* - We have over time redefined our technological focus from hardware-driven point solutions to integrated work process solutions by developing domain expertise and heavily reinvesting in R&D and acquisitions. We have been spending approximately 14% to 15% of revenue over the past several years on R&D and currently have over 1,200 unique patents. We intend to continue to take advantage of our technology portfolio and deep domain knowledge to quickly and cost-effectively deliver specific, targeted solutions to each of the vertical markets we serve. We look for opportunities where the opportunity for technological change is high and which have a requirement for the integration of multiple technologies into complete vertical solutions.
- *Increasing focus on software and services* - Software and services targeted for the needs of vertical end markets are increasingly important elements of our solutions and are core to our growth strategy. Trimble has an open application programming interface philosophy and open vendor environment which leads to increased adoption of our software and analytics offerings. We believe that increased recurring revenue from these solutions will provide us with enhanced business visibility over time. Professional services constitute an additional growth channel that helps our customers integrate and optimize the use of our offerings in their environment.
- *Geographic expansion with localization strategy* - We view international expansion as an important element of our strategy and we continue to position ourselves in geographic markets that will serve as important sources of future growth. We currently have a physical presence in over 40 countries and distribution channels in over 100 countries. In 2017 , over 50% of our sales were to customers located in countries outside of the U.S.
- *Optimized go to market strategies to best access our markets* - We utilize vertically focused go-to-market strategies that leverage domain expertise to best serve the needs of individual markets domestically and abroad. These go to market capabilities include independent dealers, joint ventures, original equipment manufacturers ("OEM") sales, and distribution alliances with key partners, such as CNH Global, Caterpillar, and Nikon, as well as direct sales to end-users, that provide us with broad market reach and localization capabilities to effectively serve our markets.
- *Strategic acquisitions* - Organic growth continues to be our primary focus, while acquisitions serve to enhance our market position. We acquire businesses that bring domain expertise, technology, products, or distribution capabilities that augment our portfolio and allow us to penetrate existing markets more effectively, or to establish a market beachhead. Our success in targeting and effectively integrating acquisitions is an important aspect of our growth strategy.

Trimble’s focus on these growth drivers has led over time to growth in revenue and profitability as well as an increasingly diversified business model. Software and services growth is driving increased recurring revenue, leading to improved visibility in some of our businesses. As our solutions have expanded, our go to market model has also evolved, with a balanced mix between direct, distribution and OEM customers, and an increasing number of enterprise level customer relationships.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles (GAAP) requires us to make judgments, assumptions, and estimates that affect the reported amounts of assets, liabilities, revenue, costs of sales, operating expenses, and related disclosures. We consider the accounting polices described below to be our critical accounting policies. These critical accounting policies are impacted significantly by judgments, assumptions, and estimates used in the preparation of the consolidated financial statements, and actual results could differ materially from the amounts reported based on these policies. Our accounting policies are more fully described in Note 2 of our accompanying Notes to consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

The following summary of our accounting policies does not give the effect to the adoption of ASC 606 which became effective for us in the first quarter of fiscal 2018.

Revenue Recognition

We recognize revenue when it is realized or realizable and earned. We consider revenue realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is reasonably assured. In instances where final acceptance of the product is specified by the customer or is uncertain, revenue is deferred until all acceptance criteria have been met.

Contracts and/or customer purchase orders are used to determine the existence of an arrangement. Shipping documents and customer acceptance, when applicable, are used to verify delivery. We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment. We assess collectibility based primarily on the creditworthiness of the customer as determined by credit checks and analyses, as well as the customer’s payment history.

Revenue for orders is not recognized until the product is shipped and title has transferred to the buyer. We bear all costs and risks of loss or damage to the goods up to that point. Our shipment terms for U.S. orders and international orders fulfilled from our European distribution center typically provide that title passes to the buyer upon delivery of the goods to the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, delivery is deemed to occur when the carrier takes the goods into its charge from the place determined by us. Other shipment terms may provide that title passes to the buyer upon delivery of the goods to the buyer. Shipping and handling costs are included in Cost of sales.

Revenue from sales to distributors and dealers is recognized upon shipment, assuming all other criteria for revenue recognition have been met. Distributors and dealers do not have a right of return.

Revenue from purchased extended warranty and post contract support ("PCS") agreements is deferred and recognized ratably over the term of the warranty or support period. Revenue from our subscription services related to our hardware and applications is recognized ratably over the term of the subscription service period beginning on the date that service is made available to the customer, assuming all revenue recognition criteria have been met.

We present revenue net of sales taxes and any similar assessments.

Our software arrangements generally consist of a perpetual license fee and PCS. We generally have established vendor-specific objective evidence ("VSOE") of fair value for our PCS contracts based on the renewal rate. The remaining value of the software arrangement is allocated to the license fee using the residual method. License revenue is primarily recognized when the software has been delivered and fair value has been established for all remaining undelivered elements. In cases where VSOE of fair value for PCS is not established, revenue is recognized ratably over the PCS period after all software deliverables have been made and the only the undelivered element is PCS.

For services performed on a fixed-fee basis, revenue is recognized using the proportional performance method, with performance measured based on hours of work performed. For contracts that involve significant customization and implementation or consulting services that are essential to the functionality of the software, the license and services revenues are recognized using the percentage-of-completion method or, if we are unable to reliably estimate the costs to complete the services, we use the completed-contract method of accounting. A contract is considered complete when all significant costs have been incurred or when acceptance from the customer has been received.

Some of our subscription product offerings include hardware, subscription services and extended warranty. Under these hosted arrangements, the customer typically does not have the contractual right to take possession of the software at any time during the hosting period without incurring a significant penalty and it is not feasible for the customer to run the software either on its own hardware or on a third-party's hardware.

Our multiple deliverable product offerings include hardware with embedded firmware, extended warranty, software, PCS services and subscription services, which are considered separate units of accounting. For certain of our products, software and non-software components function together to deliver the tangible product's essential functionality.

In evaluating the revenue recognition for our hardware or subscription agreements which contain multiple deliverables, we determined that in certain instances we were not able to establish VSOE for some or all deliverables in an arrangement as we infrequently sold each element on a standalone basis, did not price products within a narrow range, or had a limited sales history. When VSOE cannot be established, we attempt to establish the selling price of each element based on relevant third-party evidence ("TPE"). TPE is determined based on competitor prices for similar deliverables when sold separately. Our offerings may contain a significant level of proprietary technology, customization or differentiation such that the comparable pricing of products with similar functionality cannot be obtained. Furthermore, we are unable to reliably determine what similar competitor products' selling prices are on a stand-alone basis. Therefore, we typically are not able to establish the selling price of an element based on TPE.

When we are unable to establish selling price using VSOE or TPE, we use our best estimate of selling price ("BESP") in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the product or service were sold on a stand-alone basis. BESP is generally used for offerings that are not typically sold on a stand-alone basis or for new or highly customized offerings. We determine BESP for a product or service by considering multiple factors including, but not limited to, pricing practices, market conditions, competitive landscape, internal costs, geographies and gross margin. The determination of BESP is made through consultation with and formal approval by our management, taking into consideration our go-to-market strategy.

Income Taxes

We are a United States-based multinational company operating in multiple U.S. and foreign jurisdictions. Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and may not accurately forecast actual tax audit outcomes. Determining whether an uncertain tax position is effectively settled requires judgment. Changes in recognition or measurement of our uncertain tax positions would result in the recognition of a tax benefit or an additional charge to the tax provision.

Income taxes are accounted for under the liability method whereby deferred tax assets or liability account balances are calculated at the balance sheet date using current tax laws and rates in effect for the year in which the differences are expected to affect taxable income. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if we believe it is more likely than not such assets will not be realized.

We are subject to the periodic examination of our domestic and foreign tax returns by the IRS, state, local and foreign tax authorities who may challenge our tax positions. We regularly assess the likelihood of adverse outcomes from these examinations in determining the adequacy of our provision for income taxes.

On December 22, 2017, the 2017 Tax Cuts and Jobs Act (the "Tax Act") was enacted into law, which significantly changes U.S income tax law and includes several key provisions that affect our business, including a federal corporate income tax rate reduction from 35% to 21% effective in 2018, among others. We are required to recognize the effect of the tax law changes in the period of enactment, such as determining the transition tax, re-measuring our U.S. deferred tax assets and liabilities as well as reassessing the net realizability of our deferred tax assets and liabilities. In addition, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Act ("SAB 118"), which allows us to record provisional amounts during a measurement period not to extend beyond one year of the enactment date. Since the Tax Act was passed late in the fourth quarter of 2017, and ongoing guidance and accounting interpretation are expected over the next year, we consider the accounting of the transition tax, deferred tax re-measurements, indefinite reinvestment assertion, and other items to be incomplete due to the forthcoming guidance and our ongoing analysis of final year-end data and our tax positions. In addition, we have not yet determined our policy election as to whether we will recognize deferred taxes for basis differences expected to reverse as Global Intangible Low Taxed Income ("GILTI") or whether we will account for GILTI as a period cost, if and when incurred. We expect to complete our analysis within the measurement period in accordance with SAB 118.

Business Combinations and Valuation of Goodwill and Purchased Intangible Assets

We allocate the fair value of purchase consideration to the assets acquired, liabilities assumed, and non-controlling interests in the acquiree based on their fair values as of the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and non-controlling interests in the acquiree is recorded as goodwill.

When determining the fair values of assets acquired, liabilities assumed, and non-controlling interests in the acquiree, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future growth rates and margins, customer attrition rates, future changes in technology and brand awareness, loyalty and position, and discount rates. Fair value estimates are based on the assumptions management believes a market participant would use in pricing the asset or liability. Identifiable intangible assets are comprised of distribution channels and distribution rights, patents, licenses, technology, acquired backlog, trademarks, and in-process research and development. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions existing at the acquisition date becomes available.

We evaluate goodwill, at a minimum, on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. The annual goodwill impairment testing is performed in the fourth fiscal quarter of each year based on the values on the first day of that quarter. Goodwill was reviewed for impairment utilizing a quantitative two-step process. When we perform a quantitative assessment of goodwill impairment, the determination of fair value of a reporting unit involves the use of significant estimates and assumptions. The discounted cash flows are based upon, among other things, assumptions about expected future operating performance using risk-adjusted discount rates. Actual future results may differ from those estimates.

Identifiable intangible assets are being amortized over the period of estimated benefit using the straight-line method, which approximates the pattern of economic benefits associated with these assets. Changes in circumstances such as technological advances, changes to our business model, or changes in the capital strategy could result in the actual useful lives of intangible assets differing from initial estimates. In cases where we determine that the useful life of an asset should be revised, the net book value in excess of the estimated residual value will be depreciated over its revised remaining useful life. These assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable based on their future cash flows. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and these estimates may differ from actual future cash flows. The assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value.

Stock-Based Compensation

We recognize compensation expense for all share-based payment awards made to our employees and directors, based on estimated fair values, net of estimated forfeitures. The awards include restricted stock units with time-based, market-based and performance-based vesting conditions, rights to purchase shares under our employee stock purchase plan, and stock options.

The determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include our expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rates, and any expected dividends. In addition, the binomial model incorporates actual option-pricing behavior and changes in volatility over the option's contractual term.

The fair value of restricted stock units with market-based vesting conditions is valued at the grant date using a Monte Carlo simulation. The Monte Carlo simulation takes into account the same input assumptions as the binomial option pricing model as outlined above; however, it also incorporates into the fair-value determination the possibility that the market-based vesting conditions may not be satisfied and the impact of the possible differing stock price paths for Trimble and each of the constituents of the S&P 500. The fair value of our time-based and performance-based restricted stock units is determined using the closing price of our common stock on the date of grant and the total expense associated with the performance-based awards is based upon the expected achievement of the underlying performance goals and may be adjusted in future periods based upon changes in expectations and actual achievement.

The fair value of rights to purchase shares under our employee stock purchase plan is estimated using the Black-Scholes option-pricing model and the fair value of our options is estimated using a binomial valuation model.

If factors change and we employ different assumptions to determine the fair value of our share-based payment awards granted in future periods, the compensation expense that we record may differ significantly from what we have recorded in the current period.

Stock-based compensation expense recognized in the Consolidated Statements of Income is based on awards ultimately expected to vest, including the achievement of performance-based goals and estimated forfeitures. If the performance goals achieved are different from what had been estimated or actual forfeitures differ materially from our estimates, stock-based compensation recognized may not be reflective of what was earned in that period.

Inventory Valuation

Our inventories are stated at the lower of cost or net realizable value. Adjustments are also made to reduce the cost of inventory for estimated excess or obsolete balances. Factors influencing these adjustments include declines in demand which impact inventory purchasing forecasts, technological changes, product life cycle and development plans, component cost trends, product pricing, physical deterioration and quality issues. If our estimates used to reserve for excess and obsolete inventory are different from what we expected, we may be required to recognize additional reserves, which would negatively impact our gross margin.

RESULTS OF OPERATIONS

Overview

The following table is a summary of revenue, gross margin and operating income for the periods indicated and should be read in conjunction with the narrative descriptions below.

Fiscal Years	**2017**	**2016**	**2015**
(Dollars in millions)			
Revenues:			
Product	$ 1,763.8	$ 1,562.0	$ 1,533.5
Service	461.6	430.2	419.9
Subscription	428.8	370.0	337.0
Total revenue	$ 2,654.2	$ 2,362.2	$ 2,290.4
Gross margin	1,392.6	1,238.0	1,202.2
Gross margin %	52.5%	52.4%	52.5%
Total consolidated operating income	246.0	181.0	154.4
Operating income as a % of revenue	9.3%	7.7%	6.7%

Basis of Presentation

We have a 52-53 week fiscal year, ending on the Friday nearest to December 31, which for fiscal 2017 was December 29, 2017 . Fiscal 2017 , 2016 and 2015 were all 52-week years.

Revenue

In fiscal 2017 , total revenue increased by $292.0 million , or 12% , to $2.65 billion from $2.36 billion in fiscal 2016 . Overall revenue increased primarily due to organic growth across all segments and major regions. To a lesser extent, acquisitions contributed to growth, particularly in product and service revenue. We consider organic growth to include all revenue except for revenue associated with acquisitions made within the last four quarters.

On a segment basis, the increase in fiscal 2017 was primarily due to Transportation, Buildings and Infrastructure, Resources and Utilities, and to a lesser extent, Geospatial. Transportation increased $92.9 million , or 16% , Buildings and Infrastructure revenue increased $91.4 million , or 12% , Resources and Utilities revenue increased $81.2 million , or 21% , and Geospatial revenue increased $26.5 million , or 4% , as compared to fiscal 2016 . Transportation revenue increased due to continued organic growth in the transportation and logistics business. Buildings and Infrastructure revenue increased primarily due to strong organic growth in civil engineering and construction and building construction. Resources and Utilities revenue increased primarily due to acquisitions, in particular the impact of the Müller-Elektronik (" Müller") acquisition, and continued organic growth in agriculture, correction services, and forestry. Geospatial revenue increased mainly due to strong geospatial and surveying organic growth.

By revenue category, overall product revenue increased $201.8 million , or 13% , service revenue increased $31.4 million , or 7% , and subscription revenue increased $58.8 million , or 16% . Product, service and subscription revenue increased primarily due to organic growth across all segments. To a lesser extent, acquisitions contributed to growth, particularly in product and service revenue.

In fiscal 2016 , total revenue increased by $71.8 million , or 3% , to $2.36 billion from $2.29 billion in fiscal 2015 . Overall revenue was primarily impacted by organic growth in building construction, civil engineering and construction, and transportation and logistics, partially offset by declines in geospatial and GIS.

On a segment basis, the increase in fiscal 2016 revenue was primarily due to Buildings and Infrastructure and Transportation, to a lesser extent Resources and Utilities, partially offset by a slight decline in Geospatial. Buildings and Infrastructure revenue increased $54.9 million, or 8%, Resources and Utilities revenue increased $13.9 million, or 4%, Transportation increased $41.1 million, or 8%, partially offset by a decrease in Geospatial revenue of $38.1 million, or 6%, as compared to fiscal 2015. Buildings and Infrastructure revenue increased driven by building construction and civil engineering and construction. Resources and Utilities revenue was up due to slight growth in our agriculture business. Transportation revenue increased due to continued growth in the transportation and logistics market. Geospatial revenue decreased due to continued challenges in North American markets due to the impact of oil and gas market softness, which continued to reduce product demand.

By revenue category, overall product revenue increased $28.5 million, or 2%, service revenue increased $10.3 million, or 2%, and subscription revenue increased $33.0 million, or 10%. The product revenue increase was primarily within Buildings and Infrastructure and Transportation, partially offset by declines in Geospatial. Service and subscription increases were primarily due to organic growth within Buildings and Infrastructure and Transportation as we continue to expand software and services, including implementation, maintenance and subscription services, as a portion of our revenue.

During fiscal 2017 , sales to customers in the United States represented 48%, Europe represented 26%, Asia Pacific represented 14%, and other regions represented 12% of our total revenue. During fiscal 2016 , sales to customers in the United States represented 49%, Europe represented 24%, Asia Pacific represented 15%, and other regions represented 12% of our total revenue. During fiscal 2015 , sales to customers in the United States represented 50%, Europe represented 24%, Asia Pacific represented 14%, and other regions represented 12% of our total revenue. We anticipate that sales to international customers will continue to account for a significant portion of our revenue.

No single customer accounted for 10% or more of our total revenue in fiscal 2017 , 2016 or 2015 . No single customer accounted for 10% or more of our accounts receivable as of fiscal years ended 2017 and 2016 .

Gross Margin

Our gross margin varies due to a number of factors including product mix, pricing, distribution channel, production volumes, new product start-up costs, and foreign currency translations.

In fiscal 2017 , our gross margin increased by $154.6 million as compared to fiscal 2016 , primarily due to increased revenue across all segments - Buildings and Infrastructure, Transportation, Resources and Utilities, and, to a lesser extent, Geospatial. Gross margin as a percentage of total revenue was 52.5% in fiscal 2017 and 52.4% in fiscal 2016 . The slight increase in the gross margin percentage was due to lower intangibles amortization due to fully amortized intangibles from prior acquisitions, partially offset by intangibles from new acquisitions. Excluding the impact of intangibles amortization, gross margin percentage slightly decreased due to the impact of acquisitions, particularly Müller.

In fiscal 2016 , our gross margin increased by $35.8 million as compared to fiscal 2015 , primarily due to increased revenue in Buildings and Infrastructure, Resources and Utilities and Transportation. Gross margin as a percentage of total revenue was 52.4% in fiscal 2016 and 52.5% in fiscal 2015 . The slight decrease in the gross margin percentage was primarily in Geospatial and Transportation due to product mix, partially offset by lower amortization of purchased intangible assets.

Operating Income

Operating income increased by $ 65.0 million for fiscal 2017 as compared to fiscal 2016 . Operating income as a percentage of total revenue for fiscal 2017 was 9.3% as compared to 7.7% for fiscal 2016 . The increases in operating income and operating income percentage were attributable to revenue expansion and strong operating control in Buildings and Infrastructure, and to a lesser extent Transportation, Resources and Utilities, and Geospatial. Operating income was partially offset by higher corporate expense.

Operating income increased by $26.6 million for fiscal 2016 as compared to fiscal 2015 . Operating income as a percentage of total revenue for fiscal 2016 was 7.7% as compared to 6.7% for fiscal 2015 . The increase in operating income and operating income percentage was primarily due to revenue expansion in Buildings and Infrastructure and Transportation, the effects of strong operating expense control across the company and lower amortization of purchased intangible assets.

Results by Segment

In March 2017, we effected a change in the reporting of our segment financial results to better reflect our customer base and end markets. Beginning with the first quarter of fiscal 2017, we are reporting our financial performance, including revenues and operating income, based on four new reportable segments: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation. Comparative period financial information by reportable segment has been recast to conform with the current presentation.

Operating income is revenue less cost of sales and operating expense, excluding unallocated corporate expenses, restructuring charges, amortization of purchased intangible assets, stock-based compensation, amortization of acquisition-related inventory step-up, acquisition and divestiture items, executive transition costs and litigation costs.

The following table is a breakdown of revenue and operating income by segment for the periods indicated and should be read in conjunction with the narrative descriptions below.

Fiscal Years	**2017**	**2016**	**2015**
(Dollars in millions)			
Buildings and Infrastructure			
Revenue	$ 834.9	$ 743.5	$ 688.6
Segment revenue as a percent of total revenue	31%	31%	30%
Operating income	$ 179.9	$ 133.9	$ 108.2
Operating income as a percent of segment revenue	22%	18%	16%
Geospatial			
Revenue	$ 661.2	$ 634.7	$ 672.8
Segment revenue as a percent of total revenue	25%	27%	29%
Operating income	$ 130.9	$ 120.8	$ 135.3
Operating income as a percent of segment revenue	20%	19%	20%
Resources and Utilities			
Revenue	$ 476.9	$ 395.7	$ 381.8
Segment revenue as a percent of total revenue	18%	17%	17%
Operating income	$ 136.3	$ 118.4	$ 109.9
Operating income as a percent of segment revenue	29%	30%	29%
Transportation			
Revenue	$ 681.2	$ 588.3	$ 547.2
Segment revenue as a percent of total revenue	26%	25%	24%
Operating income	$ 120.6	$ 102.9	$ 106.5
Operating income as a percent of segment revenue	18%	17%	19%

A reconciliation of our consolidated segment operating income to consolidated income before income taxes follows:

Fiscal Years	**2017**	**2016**	**2015**
(in millions)			
Consolidated segment operating income	$ 567.7	$ 476.0	$ 459.9
Unallocated corporate expense	(87.4)	(70.5)	(70.0)
Restructuring charges	(10.5)	(13.3)	(12.8)
Stock-based compensation	(64.8)	(52.6)	(50.1)
Amortization of purchased intangible assets	(148.8)	(150.8)	(162.4)
Amortization of acquisition-related inventory step-up	(2.8)	—	—
Acquisition and divestiture items	(7.4)	(6.8)	(9.9)
Executive transition costs	—	(1.0)	—
Litigation costs	—	—	(0.3)
Consolidated operating income	246.0	181.0	154.4
Non-operating income (expense), net	13.1	(4.3)	(2.6)
Consolidated income before taxes	$ 259.1	$ 176.7	$ 151.8

Buildings and Infrastructure

Buildings and Infrastructure revenue increased by $91.4 million , or 12% , while segment operating income increased by $46.0 million , or 34% , for fiscal 2017 as compared to fiscal 2016 . The revenue increase was primarily due to organic growth in building construction and civil engineering and construction due to continued strength in construction markets throughout the year. Buildings and Infrastructure experienced strong growth in markets such as North America, Europe, and Asia Pacific, particularly in Japan and Australia. Segment operating income increased primarily due to revenue expansion and operating expense control across the segment.

Buildings and Infrastructure revenue increased by $54.9 million , or 8% , while segment operating income increased by $25.7 million , or 24% , for fiscal 2016 as compared to fiscal 2015 . The revenue increase for fiscal 2016 was primarily due to organic growth in building construction and civil engineering and construction. Segment operating income increased primarily due to stronger results in building construction, civil engineering and construction and operating expense control across many businesses, partially offset by growth related investments in the segment.

Geospatial

Geospatial revenue increased by $26.5 million , or 4% , while segment operating income increased by $10.1 million , or 8% , for fiscal year 2017 as compared to fiscal 2016 . The revenue increase was primarily due to geospatial organic growth for optical and Global Navigation Satellite Systems ("GNSS") products, including the new SX 10, our scanning total station, and end market diversification. Geospatial experienced growth in North America, Europe and Asia Pacific, particularly Japan. Segment operating income increased primarily due to revenue and gross margin expansion, partially offset by higher operating expense.

Geospatial revenue decreased by $38.1 million , or 6% , while segment operating income decreased by $14.5 million , or 11% , for fiscal year 2016 as compared to fiscal 2015 . Revenue and operating income decreased primarily due to continued challenges in North American markets due to the impact of oil and gas market softness, which continued to reduce product demand.

Resources and Utilities

Resources and Utilities revenue increased by $81.2 million , or 21% , while segment operating income increased by $17.9 million , or 15% , for fiscal year 2017 as compared to fiscal 2016 . The revenue increase was due to acquisitions, including the impact of the Müller acquisition, and continued organic growth in agriculture and correction services. Although the Müller acquisition contributed significant growth to segment revenue, it was less impactful to consolidated revenue. Agriculture continued to experience growth in North America in our aftermarket and OEM sales. Europe and Brazil were also up and continued to reflect penetration-related growth opportunities. Growth in Europe was also impacted positively by the Müller acquisition. Segment operating income increased due to increased revenue, partially impacted by lower operating margin acquisitions, including Müller.

Resources and Utilities revenue increased by $13.9 million , or 4% , while segment operating income increased by $8.5 million , or 8% , for fiscal year 2016 as compared to fiscal 2015 . The revenue increase was primarily due to growth in agriculture, which was up in the second half of the year due to organic growth in Europe, Australia, and emerging markets as well as the impact of acquisitions. Segment operating income increase due to revenue growth in agriculture and the impact of acquisitions.

Transportation

Transportation revenue increased by $92.9 million , or 16% , and segment operating income increased by $17.7 million , or 17% , for fiscal 2017 as compared to fiscal 2016 . Revenue increased primarily due to continued organic growth in the transportation and logistics business, particularly in North America due to the Electronic Logging Device ("ELD") government mandate. The continued technology deployment due to the ELD mandate as well as routing and navigation management products, resulted in continued SaaS subscription revenue growth. Segment operating income increased due to revenue expansion in the transportation and logistics business, partially offset by selected growth related investments.

Transportation revenue increased by $41.1 million , or 8% , and segment operating income decreased by $3.6 million , or 3% , for fiscal 2016 as compared to fiscal 2015 . The revenue increase was primarily due to continued organic growth in the transportation and logistics business, with strength throughout the year as PeopleNet mobility and enterprise solutions continued to benefit from U.S. regulatory mandates. Segment operating income decreased due to lower margin product mix and growth related investments in the segment, partially offset by the increase in revenue.

Research and Development, Sales and Marketing, and General and Administrative Expenses

The following table shows research and development ("R&D"), sales and marketing, and general and administrative ("G&A") expenses in absolute dollars and as a percentage of total revenue for fiscal years 2017 , 2016 and 2015 and should be read in conjunction with the narrative descriptions of those operating expenses below.

Fiscal Years	**2017**	**2016**	**2015**
(Dollars in millions)			
Research and development	$ 370.2	$ 349.6	$ 336.7
Percentage of revenue	14%	15%	15%
Sales and marketing	404.2	377.6	374.6
Percentage of revenue	15%	16%	16%
General and administrative	302.3	256.0	255.3
Percentage of revenue	12%	11%	11%
Total	$ 1,076.7	$ 983.2	$ 966.6
Percentage of revenue	41%	42%	42%

Overall, R&D, sales and marketing, and G&A expenses increased by approximately $93.5 million in fiscal 2017 compared to fiscal 2016 . All of our R&D costs have been expensed as incurred.

Research and development expense increased by $ 20.6 million , or 6% , in fiscal 2017 , as compared to fiscal 2016 . Overall, research and development spending was 14% of revenue in fiscal 2017 compared to 15% in fiscal 2016 . As compared to the prior year, the increase in fiscal 2017 research and development expense was primarily due to a $14.4 million increase in compensation expense, $9.8 million in expense from fiscal 2017 business acquisitions, a $1.7 million increase due to unfavorable foreign exchange rates, partially offset by a $4.0 million decrease in other expense as well as a $1.3 million decrease in consulting expense.

Research and development expense increased by $12.9 million , or 4% , in fiscal 2016 , as compared to fiscal 2015 . Overall, research and development spending was 15% of revenue in both fiscal 2016 and 2015 . As compared to the prior year, the increase in fiscal 2016 research and development expense was due to $8.6 million in expense from fiscal 2016 business acquisitions, a $6.3 million due to increased consulting costs, and a $5.3 million due to higher compensation expense, partially offset by a $4.0 million decrease in other expense and a $3.3 million decrease due to favorable foreign exchange rates.

We believe that the development and introduction of new products are critical to our future success and we expect to continue active development of new products.

Sales and marketing expense increased by $26.6 million , or 7% , in fiscal 2017 , as compared to fiscal 2016 . Overall, spending for sales and marketing was 15% of revenue in fiscal 2017 compared to 16% in fiscal 2016 . As compared to the prior year, the increase in fiscal 2017 sales and marketing expense was primarily due to a $16.3 million increase in compensation expense, $8.3 million in expense from fiscal 2017 business acquisitions, and a $2.0 million increase due to unfavorable foreign exchange rates.

Sales and marketing expense increased by $3.0 million , or 1% , in fiscal 2016 , as compared to fiscal 2015 . Overall, spending for sales and marketing was 16% of revenue in both fiscal 2016 and 2015 . As compared to the prior year, the increase in fiscal 2016 sales and marketing expense was due to $9.1 million in expense from fiscal 2016 business acquisitions and a $1.7 million increase due to trade show expenses, partially offset by a $4.2 million decrease due to favorable foreign exchange rates and $3.3 million decrease due to lower travel expenses.

General and administrative expense increased by $46.3 million , or 18% , in fiscal 2017 , as compared to fiscal 2016 . Overall, general and administrative spending was 12% of revenue in fiscal 2017 compared to 11% in fiscal 2016 . As compared to the prior year, the increase in fiscal 2017 general and administrative expense was primarily due to a $37.4 million increase in compensation expense which included a $9.9 million increase in stock compensation expense, a $10.9 million in expense from fiscal 2017 business acquisitions, a $5.6 million increase due to higher consulting costs mainly related to the ASC 606 implementation, partially offset by a $2.4 million decrease in facility related expense, a $1.8 million decrease in bad debt expense, and a $3.4 million decrease in other expense.

General and administrative expense was flat in fiscal 2016 , as compared to fiscal 2015 . Overall, general and administrative spending was 11% of revenue in both fiscal 2016 and 2015 . As compared to the prior year, the increase in fiscal 2016 general and administrative expense was due to $6.6 million in expense from fiscal 2016 business acquisitions and a $3.7 million increase due to higher compensation expense, partially offset by a $4.9 million decrease due to lower tax and legal costs, a $2.0 million decrease due to favorable foreign exchange rates, and a $2.7 million decrease in other expense.

Amortization of Purchased Intangible Assets

Fiscal Years	2017	2016	2015
(in millions)			
Cost of sales	$ 85.8	$ 88.6	$ 92.6
Operating expenses	63.0	62.2	69.8
Total	$ 148.8	$ 150.8	$ 162.4

Total amortization expense of purchased intangibles represented 5.6% of revenue in fiscal 2017 , a decrease of $ 2.0 million from fiscal 2016 when it represented 6.4% of revenue. The decrease was primarily due to the expiration of amortization for prior acquisitions, partially offset by acquisitions not included in fiscal 2016.

Total amortization expense of purchased intangibles represented 6.4% of revenue in fiscal 2016 , a decrease of $11.6 million from fiscal 2015 when it represented 7.1% of revenue. The decrease was primarily due to the expiration of amortization for prior acquisitions, partially offset by acquisitions not included in fiscal 2015.

Non-operating Income (Expense), Net

The following table shows non-operating income (expense), net for the periods indicated and should be read in conjunction with the narrative descriptions below:

Fiscal Years	2017	2016	2015
(in millions)			
Interest expense, net	$ (25.0)	$ (25.9)	$ (25.6)
Foreign currency transaction gain (loss), net	3.3	(1.9)	0.2
Income from equity method investments, net	29.5	17.6	17.9
Other income, net	5.3	5.9	4.9
Total non-operating income (expense), net	$ 13.1	$ (4.3)	$ (2.6)

Total non-operating income (expense), net increased by $17.4 million during fiscal 2017 compared with fiscal 2016 . The increase was primarily due to an increase in joint venture profitability and, to a lesser extent, the favorable impact from foreign currency exchange.

Total non-operating income (expense), net decreased by $1.7 million during fiscal 2016 compared with fiscal 2015 . The decrease was primarily due to the impact of foreign currency transaction fluctuations, partially offset by deferred compensation gains included in Other income, net.

Income Tax Provision

Our effective income tax rates for fiscal 2017, 2016 and 2015 were 53%, 25% and 20%, respectively. The fiscal 2017 rate was higher than the U.S. federal statutory rate of 35% primarily due to the impact of the Tax Act, partially offset by the geographic mix of pretax income, the U.S. federal R&D credit, and stock-based compensation tax benefits. The fiscal 2016 rate was less than the U.S. federal statutory rate of 35% primarily due to the geographic mix of pre-tax income, a divestiture of a non-strategic business, and the U.S. federal R&D credit. The fiscal 2015 rate was less than the U.S. federal statutory rate of 35% primarily due to the geographical mix of our pre-tax income and, to a lesser extent, the inclusion of the current year U.S. federal R&D credit.

The Tax Act introduces significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduces the U.S. statutory tax rate from 35% to 21% and creates new taxes on certain foreign-sourced earnings and certain related-party payments, which are referred to as GILTI and the base erosion avoidance tax (“BEAT”), respectively. In addition, in 2017 we are subject to a one-time transition tax on accumulated foreign subsidiary earnings not previously subject to U.S. income tax. Accounting for the income tax effects of the Tax Act requires significant judgments and estimates.

In connection with our initial analysis of the impact of the Tax Act, we have recorded a provisional estimate of discrete net tax expense of $85.0 million in fiscal year 2017. This discrete expense consists of provisional estimates of a $126.0 million expense for the transition tax, a $46.7 million benefit for adjustments to deferred tax liabilities associated with foreign earnings and tax reserves due to the transition tax, a $3.3 million net expense for re-measurement of our deferred tax assets and liabilities for the U.S. corporate tax rate reduction, and a $2.4 million expense for state tax and foreign withholding taxes.

Pursuant to SAB 118, we recorded reasonable estimates as provisional amounts arising from the Tax Act in fiscal year 2017. These amounts include but are not limited to the amounts described above, including the transition tax. In addition, we have not yet determined our policy election as to whether we will recognize deferred taxes for basis differences expected to reverse as GILTI or whether we will account for GILTI as a period cost if and when incurred. We intend to perform additional analysis regarding historical foreign earnings and taxes as well as any other necessary potential adjustments and will complete the analysis within the one year measurement period by incorporating the additional analysis as well as ongoing legislation guidance and accounting interpretations.

OFF-BALANCE SHEET ARRANGEMENTS

Other than operating leases, inventory purchases and other commitments incurred in the normal course of business (see Contractual Obligations table below), we do not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets, or any obligation arising out of a material variable interest in an unconsolidated entity. We do not have any majority-owned subsidiaries that are not included in the consolidated financial statements. Additionally, we do not have any interest in, or relationship with, any special purpose entities.

In the normal course of business to facilitate sales of our products, we indemnify other parties, including customers, lessors and parties to other transactions with us, with respect to certain matters. We have agreed to hold the other party harmless against losses arising from a breach of representations or covenants, or out of intellectual property infringement or other claims made against certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. From time to time, in connection with divesting some of our businesses or assets, we may also indemnify purchasers for certain matters in the normal course of business, such as breaches of representations, covenants or excluded liabilities. In addition, we have entered into indemnification agreements with our officers and directors, and our bylaws contain similar indemnification obligations to our agents.

It is not possible to determine the maximum potential exposure under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, payments made by us under these agreements have not been material and no liabilities have been recorded for these obligations on the Consolidated Balance Sheets at the end of fiscal 2017 and 2016.

LIQUIDITY AND CAPITAL RESOURCES

At the End of Fiscal Year	**2017**	**2016**	**2015**
(Dollars in millions)			
Cash and cash equivalents and short-term investments	$ 537.4	$ 327.2	$ 116.0
As a percentage of total assets	12.5%	8.9%	3.2%
Principal balance of outstanding debt	$ 918.2	$ 624.8	$ 735.2

Fiscal Years	**2017**	**2016**	**2015**
(Dollars in millions)			
Cash provided by operating activities	$ 411.9	$ 413.6	$ 357.0
Cash used in investing activities	$ (366.0)	$ (144.4)	$ (172.4)
Cash provided by (used in) financing activities	$ 79.1	$ (162.3)	$ (204.9)
Effect of exchange rate changes on cash and cash equivalents	$ 17.4	$ (6.8)	$ (11.7)
Net increase (decrease) in cash and cash equivalents	$ 142.4	$ 100.1	$ (32.0)

Cash and Cash Equivalents and Short-Term Investments

At the end of fiscal 2017, cash and cash equivalents and short-term investments totaled $537.4 million compared to $327.2 million at the end of fiscal 2016. We had a principal balance of outstanding debt of $918.2 million at the end of fiscal 2017 compared to

$624.8 million at the end of fiscal 2016. As a result of the 2017 Tax Act, we can repatriate our cumulative undistributed foreign earnings back to the U.S. when needed with minimal U.S. income tax consequences other than the transition tax. We have reinvested a large portion of our undistributed foreign earnings in acquisitions and other investments and we intend to bring back a portion of foreign cash which was subject to the transition tax. For further information on the transition tax, refer to Note 11 to the consolidated financial statements.

Our ability to continue to generate cash from operations will depend in large part on profitability, the rate of collections of accounts receivable, our inventory turns and our ability to manage other areas of working capital.

Our cash, cash equivalents and short-term investments are maintained with several financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions considered to be of reputable credit and to present little credit risk. Our investment policy requires the portfolio to include only securities with high credit quality and a weighted average maturity not to exceed six months, with the main objective of preserving capital and maintaining liquidity. We maintain an investment portfolio of various holdings, types, and maturities. We classify our investments as short-term investments based on their nature and their availability for use in current operations. We believe that our cash and cash equivalents, short-term investments, and borrowings under our 2014 Credit Facility and 2018 Interim Credit Facility as described below under the heading "Debt", will be sufficient to meet our anticipated operating cash needs, debt service, planned capital expenditures, our $500.0 million acquisition of e-Builder, a Florida corporation, and stock repurchases under the stock repurchase program for at least the next twelve months.

Operating Activities

Cash provided by operating activities was $411.9 million for fiscal 2017 , as compared to $413.6 million for fiscal 2016 . The decrease of $1.7 million was primarily driven by revenue expansion across all segments, partially offset by an increase in working capital requirements, driven by inventory requirements and accounts receivable, associated with revenue growth.

Cash provided by operating activities was $413.6 million for fiscal 2016 , as compared to $357.0 million for fiscal 2015 . The increase of $56.6 million was due to an increase in net income before non-cash depreciation and amortization primarily due to increased operating income in Buildings and Infrastructure and Resources and Utilities, and also due to a decrease in working capital requirements due to inventory improvements.

Investing Activities

Cash used in investing activities was $366.0 million for fiscal 2017 , as compared to $144.4 million for fiscal 2016 . The increase of $221.6 million used in investing activities was primarily due to increased spending for business acquisitions and purchases of short-term investments, partially offset by proceeds from maturities and sales of short-term investments and proceeds from sales of businesses.

Cash used in investing activities was $144.4 million for fiscal 2016 , as compared to $172.4 million for fiscal 2015 . The decrease of cash used in investing activities was primarily due to less cash used for business and intangible asset acquisitions, partially offset by the purchase of short-term investments.

Financing Activities

Cash provided by financing activities was $79.1 million for fiscal 2017 , as compared to cash used of $162.3 million during fiscal 2016 . The increase of cash provided by financing activities of $241.4 million was primarily driven by an increase in debt proceeds, net of repayments, partially offset by stock repurchases.

Cash used in financing activities was $162.3 million for fiscal 2016 , as compared to cash used of $204.9 million during fiscal 2015 . The decrease of cash used in financing activities of $42.6 million was primarily due to a decrease in cash used for stock repurchases, partially offset by payments on revolving credit facilities.

Accounts Receivable and Inventory Metrics

At the End of Fiscal Year	2017	2016
Accounts receivable days sales outstanding	53	55
Inventory turns per year	5.2	4.8

Accounts receivable days sales outstanding were at 53 days at the end of fiscal 2017 , as compared to 55 days at the end of fiscal 2016 due to improved collections. Our accounts receivable days sales outstanding are calculated based on ending accounts receivable, net, divided by revenue for the fourth fiscal quarter, times a quarterly average of 91 days. Our inventory turns were 5.2 at the end of fiscal 2017 , as compared to 4.8 at the end of fiscal 2016 due to improved inventory management. Our inventory turnover is calculated based on total cost of sales for the most recent twelve months divided by average ending inventory, net, for this same twelve month period. To the extent that customer demand continues to increase, inventory may be purchased in advance to reduce leads times. As a result, inventory turns may decrease.

Debt

Notes

On October 30, 2014, we filed a shelf registration statement with the Securities and Exchange Commission ("SEC") for the issuance of senior debt securities. On November 24, 2014, we issued $400.0 million of Senior Notes ("Notes") under the shelf registration statement. The Notes mature on December 1, 2024 and accrue interest at a rate of 4.75% per annum, payable semiannually in arrears on December 1 and June 1 of each year, beginning on June 1, 2015. The Notes are classified as long-term in the Consolidated Balance Sheets.

Prior to September 1, 2024, we may redeem the Notes at our option at any time, in whole or in part, at a redemption price equal to the greater of (i) 100% of the aggregate principal amount of the Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of interest and principal, calculated on a semiannual basis using a discount rate equal to the U.S. Treasury rate plus 40 basis points. After September 1, 2024, we may redeem the Notes at our option at any time, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the Notes to be redeemed, plus accrued and unpaid interest thereon. In addition, in the event of a change of control, as defined in the prospectus filed with the SEC, each holder of the Notes will have the right to require us to purchase for cash all or a portion of such holder's Notes at a purchase price equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest.

In connection with the closing of the Notes offering, we entered into an Indenture with U.S. Bank National Association, as trustee. The Indenture contains covenants limiting our ability to create certain liens, enter into sale and lease-back transactions, and consolidate or merge with or into, or convey, transfer or lease all or substantially all of our properties and assets to, another person, each subject to certain exceptions. We were in compliance with these covenants at the end of fiscal 2017 . The Notes contain no financial covenants.

2014 Credit Facility

On November 24, 2014, we entered into a new five-year credit agreement with a group of lenders (the "2014 Credit Facility"), which replaced our previous 2012 Credit Facility. The 2014 Credit Facility provides for an unsecured revolving loan facility of $1.0 billion. Subject to the terms of the 2014 Credit Facility, the revolving loan facility may be increased and/or term loan facilities may be established in an amount up to $500.0 million. The outstanding balance of $389.0 million is classified as long-term in the Consolidated Balance Sheet.

The funds available under the 2014 Credit Facility may be used for working capital and general corporate purposes, stock repurchases and the financing of certain acquisitions. Under the 2014 Credit Facility, we may borrow, repay and reborrow funds under the revolving loan facility until its maturity on November 24, 2019, at which time the revolving facility will terminate, and all outstanding loans, together with all accrued and unpaid interest, must be repaid. Amounts not borrowed under the $1.0 billion revolving facility will be subject to a commitment fee, to be paid in arrears on the last day of each fiscal quarter, ranging from 0.10% to 0.30% per annum depending on either our credit rating at such time or our leverage ratio as of the most recently ended fiscal quarter, whichever results in more favorable pricing to us.

We may borrow funds under the 2014 Credit Facility in U.S. Dollars, Euros or in certain other agreed currencies, and borrowings will bear interest, at our option, at either: (i) a floating per annum base rate determined by reference to the highest of: (a) the administrative agent's prime rate; (b) 0.50% per annum above the federal funds effective rate; and (c) reserve-adjusted LIBOR for an interest period of one month plus 1.00%, plus a margin of between 0.00% and 0.75%, or (ii) a reserve-adjusted fixed per annum rate based on LIBOR or EURIBOR, depending on the currency borrowed, plus a margin of between 1.00% and 1.75%. The applicable margin in each case is determined based on either Trimble's credit rating at such time or Trimble's leverage ratio as of its most recently ended fiscal quarter, whichever results in more favorable pricing to us. Interest is payable on the last day of each fiscal quarter with respect to borrowings bearing interest at the base rate, or on the last day of an interest period, but at least every three months, with respect to borrowings bearing interest at LIBOR or EURIBOR rate.

The 2014 Credit Facility contains various customary representations and warranties by us, which include customary use of materiality, material adverse effect and knowledge qualifiers. The 2014 Credit Facility also contains customary affirmative and negative covenants including, among other requirements, negative covenants that restrict our ability to create liens and enter into sale and leaseback transactions, and that restrict our subsidiaries' ability to incur indebtedness. Further, the 2014 Credit Facility contains financial covenants that require the maintenance of minimum interest coverage and maximum leverage ratios. Specifically, we must maintain as of the end of each fiscal quarter a ratio of (a) EBITDA (as defined in the 2014 Credit Facility) to (b) interest expense for the most recently ended period of four fiscal quarters of not less than 3.50 to 1.00. We must also maintain, at the end of each fiscal quarter, a ratio of (x) total indebtedness (as defined in the 2014 Credit Facility) to (y) EBITDA (as defined in the 2014 Credit Facility) for the most recently ended period of four fiscal quarters of not greater than 3.00 to 1.00; provided, that on the completion of a material acquisition, we may increase the ratio by 0.50 for the fiscal quarter during which such acquisition occurred and each of the three subsequent fiscal quarters. We were in compliance with these covenants at the end of fiscal 2017 .

The 2014 Credit Facility contains events of default that include, among others, non-payment of principal, interest or fees, breach of covenants, inaccuracy of representations and warranties, cross defaults to certain other indebtedness, bankruptcy and insolvency events, material judgments and events constituting a change of control. Upon the occurrence and during the continuance of an event of default, interest on the obligations will accrue at an increased rate and the lenders may accelerate our obligations under the 2014 Credit Facility, except that acceleration will be automatic in the case of bankruptcy and insolvency events of default.

In February 2016, we entered into an amendment to the 2014 Credit Facility to facilitate the Reincorporation from California to Delaware and to effect other non-financial terms. In August 2016, we entered into a second amendment to revise a definition used in determining when a change of control of the Company may occur.

The interest rate on the long-term debt outstanding under the credit facilities was 2.55% and 1.80% at the end of fiscal 2017 and 2016 , respectively.

Uncommitted Facilities

We also have two $75.0 million revolving credit facilities which are uncommitted (the "Uncommitted Facilities"). The Uncommitted Facilities may be called by the lenders at any time, have no covenants and no specified expiration date. The interest rate on the Uncommitted Facilities is 1.00% plus either LIBOR or the bank's cost of funds or as otherwise agreed upon by the bank and us. The $128.0 million outstanding at the end of 2017 and the $130.0 million outstanding at the end of 2016 under the Uncommitted Facilities are classified as short-term in our Consolidated Balance Sheets. The weighted average interest rate on the Uncommitted Facilities was 2.24% at the end of fiscal 2017 and 1.65% at the end of fiscal 2016 .

Interim Credit Facility

On February 2, 2018, we entered into a $300.0 million Revolving Credit Agreement (the "2018 Interim Credit Facility"), by and between the Company and The Bank of Nova Scotia (the "Bank") in connection with the acquisition of e-Builder, Inc., a Florida corporation. As of February 2, 2018, after giving effect to the borrowings made on the closing date, we had outstanding $300.0 million aggregate principal amount of revolving loans under this credit facility.

We may borrow, repay and reborrow funds under the 2018 Interim Credit Facility until its maturity on January 31, 2019. Borrowings under the 2018 Interim Credit Facility will bear interest, at our option, at either: (i) a floating per annum base rate determined by reference to the highest of: (a) The Bank of Nova Scotia's prime rate; (b) 0.50% per annum above the federal funds effective rate; and (c) LIBOR for an interest period of one month; plus a margin equal to 0.125%, (ii) a fixed per annum rate based on LIBOR plus a margin of 1.125% or (iii) an interest rate agreed between us and The Bank of Nova Scotia. The 2018 Interim Credit Facility contains various customary representations and warranties and affirmative and negative covenants that are substantially the same as those contained in the 2014 Credit Facility.

For additional discussion of our debt, see Note 7 to the consolidated financial statements.

CONTRACTUAL OBLIGATIONS

The following table summarizes our contractual obligations at the end of fiscal 2017 :

	Payments Due By Period				
(in millions)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Principal payments on debt (1)	$ 918.2	$ 128.4	$ 389.7	$ 0.1	$ 400.0
Interest payments on debt (2)	153.8	31.3	66.7	38.4	17.4
Operating leases obligations	152.4	35.5	52.6	34.8	29.5
Other purchase obligations and commitments (3)	198.1	187.8	9.8	0.5	—
Income taxes payable (4)	117.4	9.4	18.8	18.8	70.4
Total	$ 1,539.9	$ 392.4	$ 537.6	$ 92.6	$ 517.3

(1) Amount represents principal payments over the life of the debt obligations, excluding the $300.0 million 2018 Interim Credit Facility in connection with the acquisition of e-Builder, Inc., which was not entered into prior to the end of fiscal 2017. (See Note 7 and Note 17 to the consolidated financial statements for further financial information regarding debt.)

(2) Amount represents the expected interest payments relating to our debt. Our $400.0 million Notes accrue interest at 4.75% per annum and are payable semi-annually in arrears on December 1 and June 1 each year. Interest on our Credit Facilities and Uncommitted Facilities was estimated to be 2.55% and 2.24% per annum, respectively, based upon recent trends and is payable at least quarterly.

(3) Other purchase obligations and commitments primarily represent open non-cancelable purchase orders for material purchases with our vendors, and also include estimated payments due for acquisition related earn-outs. Purchase obligations exclude agreements that are cancelable without penalty.

(4) Income taxes payable represents a one-time transition tax liability related to known amounts of cash taxes payable in future years as a result of the Tax Act. For further information, see Note 11 to the consolidated financial statements.

Excluded from the table above are unrecognized tax benefits of $76.4 million included in Other non-current liabilities, including interest and penalties. At this time, we cannot make a reasonably reliable estimate of the period of cash settlement with tax authorities regarding this liability, and therefore, such amounts are not included in the contractual obligations table above.

EFFECT OF NEW ACCOUNTING PRONOUNCEMENTS

The impact of recent accounting pronouncements is disclosed in Note 2 of our accompanying Notes to consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures. The non-GAAP financial measures included in the following table as well as detailed explanations to the adjustments to comparable GAAP measures, are set forth below:

Non-GAAP gross margin

We believe our investors benefit by understanding our non-GAAP gross margin as a way of understanding how product mix, pricing decisions and manufacturing costs influence our business. Non-GAAP gross margin excludes restructuring charges, amortization of purchased intangible assets, stock-based compensation and amortization of acquisition-related inventory step-up from GAAP gross margin. We believe that these exclusions offer investors additional information that may be useful to view trends in our gross margin performance.

Non-GAAP operating expenses

We believe this measure is important to investors evaluating our non-GAAP spending in relation to revenue. Non-GAAP operating expenses exclude restructuring charges, amortization of purchased intangible assets, stock-based compensation, acquisition/divestiture items associated with external and incremental costs resulting directly from merger and acquisition activities such as legal, due diligence, integration, and other required closing costs, executive transition costs, and litigation costs from GAAP operating expenses. We believe that these exclusions offer investors supplemental information to facilitate comparison of our operating expenses to our prior results.

Non-GAAP operating income

We believe our investors benefit by understanding our non-GAAP operating income trends which are driven by revenue, gross margin, and spending. Non-GAAP operating income excludes restructuring charges, amortization of purchased intangible assets, stock-based compensation, amortization of acquisition-related inventory step-up, acquisition/divestiture items associated with external and incremental costs resulting directly from merger and acquisition activities such as legal, due diligence, integration, and other required closing costs, executive transition costs, and litigation costs. We believe that these exclusions offer an alternative means for our investors to evaluate current operating performance compared to results of other periods.

Non-GAAP non-operating income (expense), net

We believe this measure helps investors evaluate our non-operating income trends. Non-GAAP non-operating income (expense), net excludes acquisition/divestiture gains/losses associated with unusual acquisition related items such as intangible asset impairment charges, gains or losses related to acquisitions, or sale of certain businesses and investments. We believe that these exclusions provide investors with a supplemental view of our ongoing financial results.

Non-GAAP income tax provision

We believe that providing investors with the non-GAAP income tax provision is beneficial because it provides for consistent treatment of the excluded items in our non-GAAP presentation. The non-GAAP income tax provision excludes material non-recurring items such as build and release of valuation allowances, reserve releases related to closure of tax audits, and other non-recurring items. We have not retroactively restated prior periods' non-GAAP results with a similar separate rate. Therefore, comparability between periods may be affected.

Non-GAAP net income

This measure provides a supplemental view of net income trends which are driven by non-GAAP income before taxes and our non-GAAP tax rate. Non-GAAP net income excludes restructuring charges, amortization of purchased intangible assets, stock-based compensation, amortization of acquisition-related inventory step-up, acquisition/divestiture items, executive transition costs, litigation costs, and non-GAAP tax adjustments from GAAP net income. We believe our investors benefit from understanding these exclusions and from an alternative view of our net income performance as compared to our past net income performance.

Non-GAAP diluted net income per share

We believe our investors benefit by understanding our non-GAAP operating performance as reflected in a per share calculation as a way of measuring non-GAAP operating performance by ownership in the company. Non-GAAP diluted net income per share excludes restructuring charges, amortization of purchased intangible assets, stock-based compensation, amortization of acquisition-related inventory step-up, acquisition/divestiture items, executive transition costs, litigation costs, and non-GAAP tax adjustments from GAAP diluted net income per share. We believe that these exclusions offer investors a useful view of our diluted net income per share as compared to our past diluted net income per share.

These non-GAAP measures can be used to evaluate our historical and prospective financial performance, as well as our performance relative to competitors. We believe some of our investors track our "core operating performance" as a means of evaluating our performance in the ordinary, ongoing, and customary course of our operations. Core operating performance excludes items that are non-cash, not expected to recur or not reflective of ongoing financial results. Management also believes that looking at our core operating performance provides a supplemental way to provide consistency in period to period comparisons. Accordingly, management excludes from non-GAAP those items relating to restructuring charges, amortization of purchased intangible assets, stock-based compensation, amortization of acquisition-related inventory step-up, acquisition/divestiture items, executive transition costs, litigation costs, and non-GAAP tax adjustments. For detailed explanations of the adjustments made to comparable GAAP measures, see items (A) - (K) below,

	Fiscal Years		
	2017	**2016**	**2015**

(Dollars in millions, except per share data)			Dollar Amount	% of Revenue		Dollar Amount	% of Revenue		Dollar Amount	% of Revenue
GROSS MARGIN:										
GAAP gross margin:		$	1,392.6	52.5 %	$	1,238.0	52.4 %	$	1,202.2	52.5 %
Restructuring charges	(A)		3.6	0.1 %		1.7	0.1 %		1.4	0.1 %
Amortization of purchased intangible assets	(B)		85.8	3.2 %		88.6	3.8 %		92.6	4.0 %
Stock-based compensation	(C)		3.9	0.2 %		3.8	0.1 %		3.9	0.2 %
Amortization of acquisition-related inventory step-up	(D)		2.8	0.1 %		—	— %		—	— %
Non-GAAP gross margin:		$	1,488.7	56.1 %	$	1,332.1	56.4 %	$	1,300.1	56.8 %
OPERATING EXPENSES:										
GAAP operating expenses:		$	1,146.6	43.2 %	$	1,057.0	44.7 %	$	1,047.8	45.7 %
Restructuring charges	(A)		(6.9)	(0.2)%		(11.6)	(0.5)%		(11.4)	(0.5)%
Amortization of purchased intangible assets	(B)		(63.0)	(2.4)%		(62.2)	(2.6)%		(69.8)	(3.1)%
Stock-based compensation	(C)		(60.9)	(2.3)%		(48.8)	(2.1)%		(46.2)	(2.0)%
Acquisition / divestiture items	(E)		(7.4)	(0.3)%		(6.8)	(0.3)%		(9.9)	(0.4)%
Executive transition costs	(F)		—	— %		(1.0)	— %		—	— %
Litigation	(G)		—	— %		—	— %		(0.3)	— %
Non-GAAP operating expenses:		$	1,008.4	38.0 %	$	926.6	39.2 %	$	910.2	39.7 %
OPERATING INCOME:										
GAAP operating income:		$	246.0	9.3 %	$	181.0	7.7 %	$	154.4	6.7 %
Restructuring charges	(A)		10.5	0.3 %		13.3	0.6 %		12.8	0.6 %
Amortization of purchased intangible assets	(B)		148.8	5.6 %		150.8	6.4 %		162.4	7.1 %
Stock-based compensation	(C)		64.8	2.5 %		52.6	2.2 %		50.1	2.2 %
Amortization of acquisition-related inventory step-up	(D)		2.8	0.1 %		—	— %		—	— %
Acquisition / divestiture items	(E)		7.4	0.3 %		6.8	0.3 %		9.9	0.4 %
Executive transition costs	(F)		—	— %		1.0	— %		—	— %
Litigation	(G)		—	— %		—	— %		0.3	— %
Non-GAAP operating income:		$	480.3	18.1 %	$	405.5	17.2 %	$	389.9	17.0 %
NON-OPERATING INCOME (EXPENSE), NET:										
GAAP non-operating income (expense), net:		$	13.1		$	(4.3)		$	(2.6)	
Acquisition / divestiture items	(E)		(0.3)			(3.5)			(3.9)	
Non-GAAP non-operating income (expense), net:		$	12.8		$	(7.8)		$	(6.5)	
				GAAP and Non-GAAP Tax Rate % (K)			**GAAP and Non-GAAP Tax Rate % (K)**			**GAAP and Non-GAAP Tax Rate % (K)**
INCOME TAX PROVISION:										
GAAP income tax provision:		$	137.9	53 %	$	44.5	25 %	$	31.1	20 %
Non-GAAP items tax effected:	(H)		45.0			55.3			47.1	
Difference in GAAP and Non-GAAP tax	(I)		15.5			(4.3)			13.8	
Tax reform impacts	(J)		(85.0)			—			—	
Non-GAAP income tax provision:		$	113.4	23 %	$	95.5	24 %	$	92.0	24 %
NET INCOME:										
GAAP net income attributable to Trimble Inc.		$	121.1		$	132.4		$	121.1	
Restructuring charges	(A)		10.5			13.3			12.8	
Amortization of purchased intangible assets	(B)		148.8			150.8			162.4	
Stock-based compensation	(C)		64.8			52.6			50.1	

Amortization of acquisition-related inventory step-up	(D)	2.8	—	—
Acquisition / divestiture items	(E)	7.1	3.3	6.0
Executive transition costs	(F)	—	1.0	—
Litigation	(G)	—	—	0.3
Non-GAAP tax adjustments	(H) - (J)	24.5	(51.0)	(60.9)
Non-GAAP net income attributable to Trimble Inc.		$ 379.6	$ 302.4	$ 291.8
DILUTED NET INCOME PER SHARE:				
GAAP diluted net income per share attributable to Trimble Inc.		$ 0.47	$ 0.52	$ 0.47
Restructuring charges	(A)	0.04	0.06	0.05
Amortization of purchased intangible assets	(B)	0.58	0.59	0.63
Stock-based compensation	(C)	0.25	0.20	0.19
Amortization of acquisition-related inventory step-up	(D)	0.01	—	—
Acquisition / divestiture items	(E)	0.03	0.01	0.02
Executive transition costs	(F)	—	—	—
Litigation	(G)	—	—	—
Non-GAAP tax adjustments	(H) - (J)	0.10	(0.19)	(0.23)
Non-GAAP diluted net income per share attributable to Trimble Inc.		$ 1.48	$ 1.19	$ 1.13

(A) *Restructuring charges.* Included in our GAAP presentation of cost of sales and operating expenses, restructuring charges recorded are primarily for employee compensation resulting from reductions in employee headcount in connection with our company restructurings. We exclude restructuring charges from our non-GAAP measures because we believe they do not reflect expected future operating expenses, they are not indicative of our core operating performance, and they are not meaningful in comparisons to our past operating performance. We have incurred restructuring expense in each of the last three years. However the amount incurred can vary significantly based on whether a restructuring has occurred in the period and the timing of headcount reductions.

(B) *Amortization of purchased intangible assets.* Included in our GAAP presentation of gross margin and operating expenses is amortization of purchased intangible assets. U.S. GAAP accounting requires that intangible assets are recorded at fair value and amortized over their useful lives. Consequently, the timing and size of our acquisitions will cause our operating results to vary from period to period, making a comparison to past performance difficult for investors. This accounting treatment may cause differences when comparing our results to companies that grow internally because the fair value assigned to the intangible assets acquired through acquisition may significantly exceed the equivalent expenses that a company may incur for similar efforts when performed internally. Furthermore, the useful life that we use to amortize our intangible assets over may be substantially different from the time period that an internal growth company incurs and recognizes such expenses. We believe that by excluding the amortization of purchased intangible assets, which primarily represents technology and/or customer relationships already developed, it provides an alternative way for investors to compare our operations pre-acquisition to those post-acquisitions and to those of our competitors that have pursued internal growth strategies. However, we note that companies that grow internally will incur costs to develop intangible assets that will be expensed in the period incurred, which may make a direct comparison more difficult.

(C) *Stock-based compensation.* Included in our GAAP presentation of cost of sales and operating expenses, stock-based compensation consists of expenses for employee stock options and awards and purchase rights under our employee stock purchase plan. We exclude stock-based compensation expense from our non-GAAP measures because some investors may view it as not reflective of our core operating performance as it is a non-cash expense. For fiscal years 2017 , 2016 and 2015 , stock-based compensation was allocated as follows:

(In millions)	Fiscal Years 2017	2016	2015
Cost of sales	$ 3.9	$ 3.8	$ 3.9
Research and development	10.4	9.1	8.7
Sales and Marketing	9.3	8.3	9.1
General and administrative	41.2	31.4	28.4
Total stock-based compensation expense	$ 64.8	$ 52.6	$ 50.1

(D) *Amortization of acquisition-related inventory step-up.* The purchase accounting entries associated with our business acquisitions require us to record inventory at its fair value, which is sometimes greater than the previous book value of the inventory. Included in our GAAP presentation of cost of sales, the increase in inventory value is amortized to cost of sales over the period that the related product is sold. We exclude inventory step-up amortization from our non-GAAP measures because it is a non-cash expense that we do not believe is indicative of our ongoing operating results. We further believe that excluding this item from our non-GAAP results is useful to investors in that it allows for period-over-period comparability.

(E) *Acquisition / divestiture items.* Included in our GAAP presentation of operating expenses, acquisition costs consist of external and incremental costs resulting directly from merger and acquisition and strategic investment activities such as legal, due diligence, integration, and other required closing costs, as well as adjustments to the fair value of earn-out liabilities. Included in our GAAP presentation of non-operating income (expense), net, acquisition/divestiture items includes unusual acquisition, investment, and/or divestiture gains/losses. Although we do numerous acquisitions, the costs that have been excluded from the non-GAAP measures are costs specific to particular acquisitions. These are one-time costs that vary significantly in amount and timing and are not indicative of our core operating performance.

(F) *Executive transition costs.* Included in our GAAP presentation of operating expenses are amounts paid to the Company's former CFO upon his departure under the terms of his executive severance agreement. We excluded these payments from our non-GAAP measures because they represent non-recurring expenses and are not indicative of our ongoing operating expenses. We further believe that excluding the executive transition costs from our non-GAAP results is useful to investors in that it allows for period-over-period comparability.

(G) *Litigation.* These amounts represent costs accrued to settle litigation, generally as a result of an arbitration agreement. We have excluded these costs from our non-GAAP measures because they are non-recurring expenses that are not indicative of our ongoing operating results. We further believe that excluding these items from our non-GAAP results is useful to investors in that it allows for period-over-period comparability.

(H) *Non-GAAP items tax effected.* This amount adjusts the provision for income taxes to reflect the effect of the non-GAAP items (A) - (G) on non-GAAP net income. We believe this information is useful to investors because it provides for consistent treatment of the excluded items in this non-GAAP presentation.

(I) *Difference in GAAP and Non-GAAP tax.* This amount represents the difference between the GAAP and non-GAAP tax rates applied to the Non-GAAP operating income plus the Non-GAAP non-operating income (expense), net. We believe that investors benefit from excluding this item from our non-GAAP income tax provision because it facilitates a comparison of the non-GAAP tax provision in the current and prior periods. For fiscal 2015, 2016 and 2017, this amount represents the difference between the GAAP and Non-GAAP tax rates applied to the Non-GAAP operating income plus the Non-GAAP non-operating income (expense), net.

(J) *Tax reform impacts* . This amount represents the provision for income taxes recorded as a result of the Tax Act enacted in December 22, 2017. The provision primarily includes a one-time transition tax on accumulated foreign earnings and related adjustments to deferred taxes and reserves, and revaluation of deferred taxes due to the reduction of U.S. income tax rate. We are required to recognize the effect of the tax law changes in the period of enactment. We excluded this item as it is a non-recurring expense. We believe that investors benefit from excluding this item from our non-GAAP income tax provision because it allows for period-over-period comparability.

(K) *GAAP and non-GAAP tax rate %.* These percentages are defined as GAAP income tax provision as a percentage of GAAP income before taxes and non-GAAP income tax provision as a percentage of non-GAAP income before taxes. We believe that investors benefit from a presentation of non-GAAP tax rate percentage as a way of facilitating a comparison to non-GAAP tax rates in prior periods.

Non-GAAP Operating Income

Non-GAAP operating income increased by $74.8 million for fiscal 2017 as compared to fiscal 2016 , and increased by $15.6 million for fiscal 2016 as compared to fiscal 2015 . Non-GAAP operating income as a percentage of total revenue was 18.1% , 17.2%, and 17.0% for fiscal years 2017 , 2016 , and 2015 , respectively.

The Non-GAAP operating income and Non-GAAP operating income percentage for fiscal 2017 increased primarily attributable to revenue expansion across all segments and strong operating expense control in Buildings and Infrastructure, and to a lesser extent Transportation, Resources and Utilities, and Geospatial.

Item 7A. Quantitative and Qualitative Disclosure about Market Risk

We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We use certain derivative financial instruments to manage these risks. We do not use derivative financial instruments for speculative purposes. All financial instruments are used in accordance with policies approved by our board of directors.

Market Interest Rate Risk

Our cash equivalents and short-term investments consisted primarily of treasury bills, debt securities and commercial paper, interest and non-interest bearing bank deposits as well as bank time deposits. The main objective of these instruments is safety of principal and liquidity while maximizing return, without significantly increasing risk.

Due to the nature of our cash equivalents and short-term investments where they are readily convertible to cash, we do not anticipate any material effect on our portfolio due to fluctuations in interest rates.

We are exposed to market risk due to the possibility of changing interest rates under our credit facilities. Our 2014 Credit Facility is comprised of a revolving credit agreement and a letter of credit sub-facility with maturity dates of November 24, 2019 and also two unsecured uncommitted revolving credit agreements that are callable by the bank at any time. We may borrow funds under these facilities in U.S. Dollars or in certain other currencies and borrowings will bear interest as described under Note 7 of Notes to the consolidated financial statements.

At the end of fiscal 2017 , we had outstanding a revolving loan of $389.0 million under the 2014 Credit Facility and a revolving credit line of $128.0 million under the Uncommitted Facilities. A hypothetical 10% increase in our borrowing rates at the end of fiscal 2017 could result in approximately $0.5 million annual increase in interest expense on these existing principal balances.

The hypothetical changes and assumptions made above will be different from what actually occurs in the future. Furthermore, the computations do not anticipate actions that may be taken by our management should the hypothetical market changes actually occur over time. As a result, actual earnings effects in the future will differ from those quantified above.

Foreign Currency Exchange Rate Risk

We operate in international markets, which expose us to market risk associated with foreign currency exchange rate fluctuations between the U.S. Dollar and various foreign currencies, the most significant of which is the Euro.

Historically, the majority of our revenue contracts are denominated in U.S. Dollars, with the most significant exception being Europe, where we invoice primarily in Euros. Additionally, a portion of our expenses, primarily the cost to manufacture, cost of personnel to deliver technical support on our products and professional services, sales and sales support and research and development, are denominated in foreign currencies, primarily the Euro.

Revenue resulting from selling in local currencies and costs incurred in local currencies are exposed to foreign currency exchange rate fluctuations which can affect our operating income. As exchange rates vary, operating income may differ from expectations. In fiscal 2017 , revenue and operating income were favorably impacted by foreign currency exchange rates by $8.3 million and $0.7 million, respectively.

We enter into foreign currency forward contracts to minimize the short-term impact of foreign currency exchange rate fluctuations on cash and certain trade and inter-company receivables and payables, primarily denominated in Euro, British pound, New Zealand dollars and Canadian dollars. These contracts reduce the exposure to fluctuations in foreign currency exchange rate movements as the gains and losses associated with foreign currency balances are generally offset with the gains and losses on the forward contracts. These instruments are marked to market through earnings every period and generally range from one to two months in maturity. We do not enter into foreign currency forward contracts for trading purposes. We occasionally enter into foreign currency forward contracts to hedge the purchase price of some of our larger business acquisitions. Foreign currency forward contracts outstanding at the end of fiscal 2017 and 2016 are summarized as follows:

	At the End of Fiscal 2017		At the End of Fiscal 2016	
(In millions)	Nominal Amount	Fair Value	Nominal Amount	Fair Value
Forward contracts:				
Purchased	$ (54.3)	$ (0.1)	$ (99.2)	$ —
Sold	$ 217.8	$ 0.5	$ 86.1	$ 0.1

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Item 8. Financial Statements and Supplementary Data

CONSOLIDATED BALANCE SHEETS

At the End of Fiscal Year	**2017**	**2016**
(In millions, except par values)		
ASSETS		
Current assets :		
Cash and cash equivalents	$ 358.5	$ 216.1
Short-term investments	178.9	111.1
Accounts receivable, net	414.8	354.8
Other receivables	42.8	35.4
Inventories	271.8	218.8
Other current assets	50.3	42.5
Total current assets	1,317.1	978.7
Property and equipment, net	174.0	144.2
Goodwill	2,287.1	2,077.6
Other purchased intangible assets, net	364.8	333.3
Other non-current assets	155.2	140.0
Total assets	$ 4,298.2	$ 3,673.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 128.4	$ 130.3
Accounts payable	146.1	109.8
Accrued compensation and benefits	143.0	97.5
Deferred revenue	272.4	246.5
Accrued warranty expense	18.3	17.2
Other current liabilities	101.0	86.9
Total current liabilities	809.2	688.2
Long-term debt	785.5	489.6
Non-current deferred revenue	41.0	37.7
Deferred income tax liabilities	40.4	38.8
Income taxes payable	94.1	—
Other non-current liabilities	162.0	113.8
Total liabilities	1,932.2	1,368.1
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 3.0 shares authorized; none issued and outstanding	—	—
Common stock, $0.001 par value; 360.0 shares authorized; 248.9 and 251.3 shares issued and outstanding at the end of fiscal 2017 and 2016, respectively	0.2	0.3
Additional paid-in-capital	1,461.1	1,348.3
Retained earnings	1,035.9	1,177.1
Accumulated other comprehensive loss	(131.2)	(219.9)
Total Trimble Inc. stockholders' equity	2,366.0	2,305.8
Noncontrolling interests	—	(0.1)
Total stockholders' equity	2,366.0	2,305.7
Total liabilities and stockholders' equity	$ 4,298.2	$ 3,673.8

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

Fiscal Years	2017	2016	2015
(In millions, except per share data)			
Revenue:			
Product	$ 1,763.8	$ 1,562.0	$ 1,533.5
Service	461.6	430.2	419.9
Subscription	428.8	370.0	337.0
Total revenues	2,654.2	2,362.2	2,290.4
Cost of sales:			
Product	866.5	760.8	731.1
Service	196.3	169.9	164.2
Subscription	113.0	104.9	100.3
Amortization of purchased intangible assets	85.8	88.6	92.6
Total cost of sales	1,261.6	1,124.2	1,088.2
Gross margin	1,392.6	1,238.0	1,202.2
Operating expense			
Research and development	370.2	349.6	336.7
Sales and marketing	404.2	377.6	374.6
General and administrative	302.3	256.0	255.3
Restructuring charges	6.9	11.6	11.4
Amortization of purchased intangible assets	63.0	62.2	69.8
Total operating expense	1,146.6	1,057.0	1,047.8
Operating income	246.0	181.0	154.4
Non-operating income (expense), net			
Interest expense, net	(25.0)	(25.9)	(25.6)
Foreign currency transaction gain (loss), net	3.3	(1.9)	0.2
Income from equity method investments, net	29.5	17.6	17.9
Other income, net	5.3	5.9	4.9
Total non-operating income (expense), net	13.1	(4.3)	(2.6)
Income before taxes	259.1	176.7	151.8
Income tax provision	137.9	44.5	31.1
Net income	121.2	132.2	120.7
Net gain (loss) attributable to noncontrolling interests	0.1	(0.2)	(0.4)
Net income attributable to Trimble Inc.	$ 121.1	$ 132.4	$ 121.1
Basic earnings per share	$ 0.48	$ 0.53	$ 0.47
Shares used in calculating basic earnings per share	252.1	250.5	255.8
Diluted earnings per share	$ 0.47	$ 0.52	$ 0.47
Shares used in calculating diluted earnings per share	256.7	253.9	258.5

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Fiscal Years	2017	2016	2015
(In millions)			
Net income	$ 121.2	$ 132.2	$ 120.7
Foreign currency translation adjustments, net of tax $3.7 in 2017, $(0.2) in 2016, and $(4.3) in 2015	89.2	(53.4)	(90.2)
Net unrealized loss on short-term investments	(0.2)	—	—
Net unrealized actuarial gain (loss), net of tax	(0.3)	0.3	0.1
Comprehensive income	209.9	79.1	30.6
Comprehensive gain (loss) attributable to noncontrolling interests	0.1	(0.2)	(0.4)
Comprehensive income attributable to Trimble Inc.	$ 209.8	$ 79.3	$ 31.0

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common stock							
	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Noncontrolling Interest	Total
(In millions)								
Balance at the end of fiscal 2014	259.2	$ 0.3	$ 1,207.0	$ 1,211.0	$ (76.7)	$ 2,341.6	$ 11.8	$ 2,353.4
Net income				121.1		121.1	(0.4)	120.7
Other comprehensive loss					(90.1)	(90.1)		(90.1)
Comprehensive income						31.0		30.6
Issuance of common stock under employee plans, net of tax withholdings	2.7	—	33.3	(3.6)		29.7		29.7
Stock repurchases	(11.2)	—	(54.1)	(180.3)		(234.4)		(234.4)
Stock-based compensation			50.9			50.9		50.9
Noncontrolling interest investments			—			—	(10.5)	(10.5)
Tax benefit from stock option exercises			0.9			0.9		0.9
Balance at the end of fiscal 2015	250.7	$ 0.3	$ 1,238.0	$ 1,148.2	$ (166.8)	$ 2,219.7	$ 0.9	$ 2,220.6
Net income				132.4		132.4	(0.2)	132.2
Other comprehensive loss					(53.1)	(53.1)		(53.1)
Comprehensive income						79.3		79.1
Issuance of common stock under employee plans, net of tax withholdings	5.5	—	76.7	(8.8)		67.9		67.9
Stock repurchases	(4.9)	—	(24.8)	(94.7)		(119.5)		(119.5)
Stock-based compensation			53.2			53.2		53.2
Noncontrolling interest investments			0.8			0.8	(0.8)	—
Tax benefit from stock option exercises			4.4			4.4		4.4
Balance at the end of fiscal 2016	251.3	$ 0.3	$ 1,348.3	$ 1,177.1	$ (219.9)	$ 2,305.8	$ (0.1)	$ 2,305.7
Net income				121.1		121.1	0.1	121.2
Other comprehensive income					88.7	88.7		88.7
Comprehensive income						209.8		209.9
Issuance of common stock under employee plans, net of tax withholdings	5.0	—	90.0	(16.7)		73.3		73.3
Stock repurchases	(7.4)	(0.1)	(42.2)	(246.0)		(288.3)		(288.3)
Stock-based compensation			65.0			65.0		65.0
Noncontrolling interest investments						—	—	—
Tax benefit from stock option exercises			—	0.4		0.4		0.4

Balance at the end of fiscal 2017	248.9	$ 0.2	$ 1,461.1	$ 1,035.9	$ (131.2)	$ 2,366.0	$ —	$ 2,366.0

See accompanying Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal Years	2017	2016	2015
(In millions)			
Cash flows from operating activities:			
Net income	$ 121.2	$ 132.2	$ 120.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	34.6	37.0	36.7
Amortization expense	148.8	150.8	162.4
Provision for doubtful accounts	1.2	3.0	1.9
Deferred income taxes	1.4	0.4	0.9
Stock-based compensation	64.8	52.6	50.1
Income from equity method investments	(29.5)	(17.6)	(17.9)
Divestitures gain, net	(6.4)	(3.5)	(3.9)
Provision for excess and obsolete inventories	5.5	15.8	12.3
Other non-cash items	5.2	3.3	10.0
Add decrease (increase) in assets:			
Accounts receivable	(41.6)	1.2	0.3
Other receivables	3.6	1.4	8.5
Inventories	(38.7)	24.0	(2.9)
Other current and non-current assets	(19.1)	(1.2)	(7.6)
Add increase (decrease) in liabilities:			
Accounts payable	25.9	10.9	(6.4)
Accrued compensation and benefits	33.7	0.6	(0.1)
Deferred revenue	16.4	26.1	28.1
Accrued warranty expense	0.6	(1.1)	(2.0)
Income taxes payable	88.2	(16.1)	(30.4)
Accrued liabilities	(3.9)	(6.2)	(3.7)
Net cash provided by operating activities	411.9	413.6	357.0
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(293.1)	(38.8)	(156.3)
Acquisitions of property and equipment	(43.7)	(26.0)	(43.9)
Purchases of equity method investments	—	(1.5)	(5.5)
Purchases of short-term investments	(288.0)	(113.3)	—
Proceeds from maturities of short-term investments	122.1	2.4	—
Proceeds from sales of short-term investments	97.7	—	—
Net proceeds from sales of businesses	20.1	14.4	12.1
Dividends received from equity method investments	18.1	17.6	20.0
Other	0.8	0.8	1.2
Net cash used in investing activities	(366.0)	(144.4)	(172.4)
Cash flows from financing activities:			
Issuance of common stock, net of tax withholdings	73.8	67.5	29.7
Repurchases of common stock	(285.3)	(119.5)	(234.4)
Proceeds from debt and revolving credit lines	786.0	355.0	555.0
Payments on debt and revolving credit lines	(495.4)	(465.3)	(555.2)
Net cash provided by (used in) financing activities	79.1	(162.3)	(204.9)
Effect of exchange rate changes on cash and cash equivalents	17.4	(6.8)	(11.7)
Net increase (decrease) in cash and cash equivalents	142.4	100.1	(32.0)
Cash and cash equivalents, beginning of fiscal year	216.1	116.0	148.0
Cash and cash equivalents, end of fiscal year	$ 358.5	$ 216.1	$ 116.0

See accompanying Notes to the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: DESCRIPTION OF BUSINESS

The Company began operations in 1978 and was originally incorporated in California as Trimble Navigation Limited in 1981. On October 1, 2016, Trimble Navigation Limited changed its name to Trimble Inc. ("Trimble" or the "Company") and changed its state of incorporation from the State of California to the State of Delaware. Other than the change in corporate domicile, the reincorporation did not result in any change in the business, physical location, management, assets, liabilities or total stockholders' equity of the Company, nor did it result in any change in location of the Company's employees, including the Company's management.

Trimble is a leading provider of technology solutions that enable professionals and field mobile workers to improve or transform their work processes. Trimble's solutions are used across a range of industries including agriculture, architecture, civil engineering, survey and land administration, construction, geospatial, government, natural resources, transportation, and utilities. Representative Trimble customers include engineering and construction firms, contractors, surveying companies, farmers and agricultural companies, transportation and logistics companies, energy, utility companies, and state, federal and municipal governments.

Trimble focuses on integrating broad technological and application capabilities to create system-level solutions that transform how work is done within the industries the Company serves. Products are sold based on return on investment and provide benefits such as lower operational costs, higher productivity, improved quality, enhanced safety and regulatory compliance, and reduced environmental impact. Representative products include equipment that automates large industrial equipment such as tractors and bulldozers; 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 a farm; and building information modeling ("BIM") software that is used throughout the design, build, and operation of buildings.

NOTE 2: ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used for allowances for doubtful accounts, sales returns reserve, allowances for inventory valuation, warranty costs, investments, goodwill impairment, intangibles impairment, purchased intangibles, stock-based compensation, and income taxes among others. Management bases its estimates on historical experience and various other assumptions believed to be reasonable. Although these estimates are based on management’s best knowledge of current events and actions that may impact the company in the future, actual results may differ materially from management’s estimates.

Basis of Presentation

The Company has a 52-53 week fiscal year, ending on the Friday nearest to December 31. Fiscal 2017 , 2016 and 2015 were all 52-week years, and ended on December 29, 2017 , December 30, 2016 and January 1, 2016 , respectively. Unless otherwise stated, all dates refer to the Company’s fiscal year.

These consolidated financial statements include the results of the Company and its consolidated subsidiaries. Inter-company accounts and transactions have been eliminated. Noncontrolling interests represent the noncontrolling stockholders’ proportionate share of the net assets and results of operations of the Company’s consolidated subsidiaries.

The Company has presented revenue and cost of sales separately for products, service and subscriptions. Product revenue includes hardware, software licenses, parts and accessories; service revenue includes maintenance and support for hardware and software products, training and professional services; subscription revenue includes software as a service ("SaaS").

Certain immaterial amounts from prior periods have been reclassified to conform to the current period presentation, including certain line items within the Consolidated Statements of Cash Flows, due to the adoption of accounting for certain aspects of the share-based payments awards, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements.

Reportable Segments

In March 2017, the Company effected a change in its financial reporting segments to better reflect the Company’s customer base and end markets. Over time, the Company has experienced growth both organically and through strategic business acquisitions, resulting in an increasingly diversified business model. As a result of the Company’s evolution, Trimble’s chief operating decision maker (its Chief Executive Officer) changed the information he regularly reviews to allocate resources and assess performance. Beginning with the first quarter of fiscal 2017, the Company is reporting its financial performance, including revenues and operating income, based on four new reportable segments: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation. Comparative period financial information by reportable segment has been recast to conform with the current presentation. See Note 6 of the Notes to consolidated financial statements for further information.

Foreign Currency Translation

Assets and liabilities of non-U.S. subsidiaries that operate in local currencies are translated to U.S. dollars at exchange rates in effect at the balance sheet date, with the resulting translation adjustments, net of tax, recorded in Accumulated other comprehensive loss within the stockholders' equity section of the Consolidated Balance Sheets. Income and expense accounts are translated at average monthly exchange rates during the year.

Derivative Financial Instruments

The Company enters into foreign exchange forward contracts to minimize the short-term impact of foreign currency fluctuations on cash, certain trade and inter-company receivables and payables, primarily denominated in Euro, British pound, New Zealand dollars and Canadian dollars. These contracts reduce the exposure to fluctuations in exchange rate movements as the gains and losses associated with foreign currency balances are generally offset with the gains and losses on the forward contracts. These instruments are marked to market through earnings every period and generally range from one to two months in original maturity. The Company occasionally enters into foreign exchange forward contracts to hedge the purchase price of some of its larger business acquisitions. The Company does not enter into foreign exchange forward contracts for trading purposes. As of the fiscal years ended 2017 and 2016 , there were no derivative financial instruments outstanding that were accounted for as hedges.

Cash, Cash Equivalents and Short-Term Investments

The Company's cash equivalents and short-term investments consisted primarily of treasury bills, debt securities and commercial paper, interest and non-interest bearing bank deposits as well as bank time deposits. The Company classifies all investments that are considered readily convertible to known amounts of cash and have stated maturities of three months or less from the date of purchase as cash equivalents and those with stated maturities of greater than three months as short-term investments based on the nature of the investments and their availability for use in current operations. The Company has classified and accounted for such investments in cash equivalents and short-term investments as available-for-sale securities. The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of those instruments.

The Company determines the appropriate classification of its short-term investments at the time of purchase and reevaluates such designation at each balance sheet date. These investments are carried at fair value, and any unrealized gains and losses, net of taxes, are reported in Accumulated other comprehensive loss, except for unrealized losses determined to be other-than-temporary, which would be recorded within Other income, net. The Company has not recorded any such impairment charge in the fiscal year 2017 . Realized gains or losses on the sale of marketable securities are determined on a specific identification method, and such gains and losses are recorded as a component of Other income, net.

Concentrations of Risk

The Company is subject to concentrations of credit risk primarily from cash and cash equivalents, short-term investments and accounts receivable. The Company's cash equivalents and short-term investments consisted primarily of treasury bills, debt securities and commercial paper, interest and non-interest bearing bank deposits as well as bank time deposits. The main objective of these instruments is safety of principal and liquidity while maximizing return, without significantly increasing risk. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

The Company's investment policy requires the portfolio to include only securities with high credit quality and a weighted average maturity not to exceed six months, with the main objective of preserving capital and maintaining liquidity. The Company maintains an investment portfolio of various holdings, types, and maturities.

The Company is also exposed to credit risk in the Company's trade receivables, which are derived from sales to end-user customers in diversified industries as well as various resellers. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary but generally does not require collateral.

With Flex Ltd. as an exclusive manufacturing partner for many of its products, the Company is dependent upon a sole supplier for the manufacture of these products. In addition, the Company relies on sole suppliers for a number of its critical components.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The allowance for doubtful accounts was $3.6 million and $5.0 million at the end of fiscal 2017 and 2016 , respectively. The sales return reserve was $4.2 million and $3.6 million at the end of fiscal 2017 and 2016 , respectively.

The Company evaluates the ongoing collectibility of its trade accounts receivable based on a number of factors such as age of the accounts receivable balances, credit quality, historical experience, and current economic conditions that may affect a customer’s ability to pay. In circumstances where the Company is aware of a specific customer’s inability to meet its financial obligations to the Company, a specific allowance for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount that the Company believes will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on the Company’s recent past loss history and an overall assessment of past due trade accounts receivable amounts outstanding.

Inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments are also made to reduce the cost of inventory for estimated excess or obsolete balances. Factors influencing these adjustments include declines in demand which impact inventory purchasing forecasts, technological changes, product life cycle and development plans, component cost trends, product pricing, physical deterioration and quality issues. If the Company's estimates used to reserve for excess and obsolete inventory are different from what it expected, the Company may be required to recognize additional reserves, which would negatively impact its gross margin.

Property and Equipment, Net

Property and equipment, net is stated at cost less accumulated depreciation. Depreciation of property and equipment is computed using the straight-line method over the shorter of the estimated useful lives or the lease terms when applicable. Useful lives generally include a range from four to six years for machinery and equipment, five to seven years for furniture and fixtures, two to five years for computer equipment and software, thirty-nine years for buildings, and the life of the lease for leasehold improvements. The Company capitalizes eligible costs to acquire or develop internal-use software that are incurred subsequent to the preliminary project stage. Capitalized costs related to internal-use software are amortized using the straight-line method over the estimated useful lives of the assets, which range generally from two to five years. The costs of repairs and maintenance are expensed when incurred, while expenditures for refurbishments and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Depreciation expense was $34.6 million in fiscal 2017 , $37.0 million in fiscal 2016 and $36.7 million in fiscal 2015 .

Lease Obligations

The Company enters into lease arrangements for office space, facilities, and equipment under non-cancelable capital and operating leases. Certain of the operating lease agreements contain rent holidays, rent escalation provisions, and purchase options. Rent holidays and rent escalation provisions are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date of initial possession of the leased property for purposes of recognizing lease expense on a straight-line basis over the term of the lease. The Company does not assume renewals in its determination of the lease term unless the renewals are deemed to be reasonably assured at lease inception.

Business Combinations

The Company allocates the fair value of purchase consideration to the assets acquired, liabilities assumed, and non-controlling interests in the acquiree based on their fair values at the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired, liabilities assumed and non-controlling interests in the acquiree is recorded as goodwill.

When determining the fair values of assets acquired, liabilities assumed, and non-controlling interests in the acquiree, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future growth rates and margins, customer attrition rates, future changes in technology and brand awareness, loyalty and position, and discount rates. Fair value estimates are based on the assumptions management believes a market participant would use in pricing the asset or liability. Amounts recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions existing at the acquisition date becomes available.

Goodwill and Purchased Intangible Assets

Goodwill represents the excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Intangible assets acquired individually, with a group of other assets, or in a business combination are recorded at fair value. Identifiable intangible assets are comprised of distribution channels and distribution rights, patents, licenses, technology, acquired backlog, trademarks and in-process research and development. Identifiable intangible assets are being amortized over the period of estimated benefit using the straight-line method, reflecting the pattern of economic benefits associated with these assets, and have estimated useful lives ranging from four years to eight years with a weighted average useful life of 6.1 years. Goodwill is not subject to amortization, but is subject to at least an annual assessment for impairment, applying a fair-value based test.

Impairment of Goodwill, Intangible Assets and Other Long-Lived Assets

The Company evaluates goodwill, at a minimum, on an annual basis and whenever events and changes in circumstances suggest that the carrying amount may not be recoverable. The Company performs its annual goodwill impairment testing in the fourth fiscal quarter of each year based on the values on the first day of that quarter. For the Company's annual goodwill impairment test in the fourth quarter of fiscal 2017 , goodwill was reviewed for impairment utilizing a quantitative two-step process. In the first step of this test, goodwill is tested for impairment at the reporting unit level by comparing the reporting unit’s carrying amount, including goodwill, to the fair value of the reporting unit. The fair values of the reporting units are estimated using a discounted cash flow approach. If the carrying amount of the reporting unit exceeds its fair value, a second step is performed to measure the amount of impairment loss, if any. In step two, the implied fair value of goodwill is calculated as the excess of the fair value of a reporting unit over the fair values assigned to its assets and liabilities. If the implied fair value of goodwill is less than the carrying value of the reporting unit’s goodwill, the difference is recognized as an impairment loss. When the Company performs a quantitative assessment of goodwill impairment, the determination of fair value of a reporting unit involves the use of significant estimates and assumptions. The discounted cash flows are based upon, among other things, assumptions about expected future operating performance using risk-adjusted discount rates. Actual future results may differ from those estimates. As of the first day of the fourth quarter of fiscal 2017 , the fair value for our reporting units ranged from 311% to approximately 903% of carrying amounts, therefore goodwill was not impaired and no further testing was required.

Depreciation and amortization of the Company’s intangible assets and other long-lived assets is provided using the straight-line method over their estimated useful lives, reflecting the pattern of economic benefits associated with these assets. Changes in circumstances such as technological advances, changes to the Company’s business model, or changes in the capital strategy could result in the actual useful lives differing from initial estimates. In cases where the Company determines that the useful life of an asset should be revised, the Company will depreciate the net book value in excess of the estimated residual value over its revised remaining useful life. These assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and these estimates may differ from actual future cash flows. The assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value.

Warranty

The Company accrues for warranty costs as part of its cost of sales based on associated material product costs, technical support labor costs, and costs incurred by third parties performing work on the Company’s behalf. The Company’s expected future cost is primarily estimated based upon historical trends in the volume of product returns within the warranty period and the cost to repair or replace the equipment. When products sold include warranty provisions, they are covered by a warranty for periods ranging generally from one year to two years.

While the Company engages in extensive product quality programs and processes, including actively monitoring and evaluating the quality of component suppliers, its warranty obligation is affected by product failure rates, material usage, and service delivery costs incurred in correcting a product failure. Should actual product failure rates, material usage, or service delivery costs differ from the estimates, revisions to the estimated warranty accrual and related costs may be required.

Changes in the Company’s product warranty liability during the fiscal years ended 2017 and 2016 are as follows:

Fiscal Years	2017	2016
(In millions)		
Beginning balance	$ 17.2	$ 18.5
Acquired warranties	0.5	(0.2)
Accruals for warranties issued	20.4	18.3
Changes in estimates	(0.8)	0.3
Warranty settlements (in cash or in kind)	(19.0)	(19.7)
Ending Balance	$ 18.3	$ 17.2

Guarantees, Including Indirect Guarantees of Indebtedness of Others

In the normal course of business to facilitate sales of its products, the Company indemnifies other parties, including customers, lessors, and parties to other transactions with the Company. For example, the Company has agreed to hold the other party harmless against losses arising from a breach of representations or covenants, or out of intellectual property infringement or other claims made by certain parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. In addition, the Company has entered into indemnification agreements with its officers and directors, and the Company's bylaws contain similar indemnification obligations to the Company's agents.

It is not possible to determine the maximum potential exposure under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these agreements have not been material and no liabilities have been recorded on the Consolidated Balance Sheets at the end of fiscal 2017 and 2016 .

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is reasonably assured. In instances where final acceptance of the product is specified by the customer or is uncertain, revenue is deferred until all acceptance criteria have been met.

Contracts and/or customer purchase orders are used to determine the existence of an arrangement. Shipping documents and customer acceptance, when applicable, are used to verify delivery. The Company assesses whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment. The Company assesses collectibility based primarily on the creditworthiness of the customer as determined by credit checks and analyses, as well as the customer's payment history.

Revenue for orders is not recognized until the product is shipped and title has transferred to the buyer. The Company bears all costs and risks of loss or damage to the goods up to that point. The Company's shipment terms for U.S. orders and international orders fulfilled from the Company's European distribution center typically provide that title passes to the buyer upon delivery of the goods to the carrier named by the buyer at the named place or point. If no precise point is indicated by the buyer, delivery is deemed to occur when the carrier takes the goods into its charge from the place determined by the Company. Other shipment terms may provide that title passes to the buyer upon delivery of the goods to the buyer. Shipping and handling costs are included in Cost of sales.

Revenue from sales to distributors and dealers is recognized upon shipment, assuming all other criteria for revenue recognition have been met. Distributors and dealers do not have a right of return.

Revenue from purchased extended warranty and post contract support ("PCS") agreements is deferred and recognized ratably over the term of the warranty or support period. Revenue from the Company's subscription services related to its hardware and software applications is recognized ratably over the term of the subscription service period beginning on the date that service is made available to the customer, assuming all revenue recognition criteria have been met.

The Company presents revenue net of sales taxes and any similar assessments.

The Company's software arrangements generally consist of a perpetual license fee and PCS. The Company generally has established vendor-specific objective evidence ("VSOE") of fair value for the Company's PCS contracts based on the renewal rate. The remaining value of the software arrangement is allocated to the license fee using the residual method. License revenue is primarily recognized when the software has been delivered and fair value has been established for all remaining undelivered elements. In cases where VSOE of fair value for PCS is not established, revenue is recognized ratably over the PCS period after all software deliverables have been made and the only the undelivered element is PCS.

For services performed on a fixed-fee basis, revenue is recognized using the proportional performance method, with performance measured based on hours of work performed. For contracts that involve significant customization and implementation or consulting services that are essential to the functionality of the software, the license and services revenues are recognized using the percentage-of-completion method or, if we are unable to reliably estimate the costs to complete the services, we use the completed-contract method of accounting. A contract is considered complete when all significant costs have been incurred or when acceptance from the customer has been received.

Some of the Company's subscription product offerings include hardware, subscription services and extended warranty. Under these hosted arrangements, the customer typically does not have the contractual right to take possession of the software at any time during the hosting period without incurring a significant penalty and it is not feasible for the customer to run the software either on its own hardware or on a third-party's hardware.

The Company's multiple deliverable product offerings include hardware with embedded firmware, extended warranty, software, PCS and subscription services, which are considered separate units of accounting. For certain of the Company's products, software and non-software components function together to deliver the tangible product's essential functionality.

In evaluating the revenue recognition for the Company's hardware or subscription agreements which contain multiple deliverables, the Company determined that in certain instances the Company was not able to establish VSOE for some or all deliverables in an arrangement as the Company infrequently sold each element on a standalone basis, did not price products within a narrow range, or had a limited sales history. When VSOE cannot be established, the Company attempts to establish the selling price of each element based on relevant third-party evidence ("TPE"). TPE is determined based on competitor prices for similar deliverables when sold separately. The Company's offerings may contain a significant level of proprietary technology, customization or differentiation such that the comparable pricing of products with similar functionality cannot be obtained. Furthermore, the Company is unable to reliably determine what similar competitor products' selling prices are on a stand-alone basis. Therefore, the Company typically is not able to establish the selling price of an element based on TPE.

When the Company is unable to establish selling price using VSOE or TPE, the Company uses its best estimate of selling price ("BESP") in the Company's allocation of arrangement consideration. The objective of BESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. BESP is generally used for offerings that are not typically sold on a stand-alone basis or for new or highly customized offerings. The Company determines BESP for a product or service by considering multiple factors including, but not limited to, pricing practices, market conditions, competitive landscape, internal costs, geographies and gross margin. The determination of BESP is made through consultation with and formal approval by the Company's management, taking into consideration the Company's go-to-market strategy.

Advertising and Promotional Costs

The Company expenses all advertising and promotional costs as incurred. Advertising and promotional expense was approximately $37.2 million , $37.2 million , and $32.3 million , in fiscal 2017 , 2016 and 2015 , respectively.

Research and Development Costs

Research and development costs are charged to expense as incurred. Cost of software developed for external sale subsequent to reaching technical feasibility were not significant and were expensed as incurred. The Company received third party funding of approximately $18.1 million , $13.0 million , and $12.5 million in fiscal 2017 , 2016 and 2015 , respectively. The Company offsets research and development expense with any third party funding earned. The Company retains the rights to any technology developed under such arrangements.

Stock-Based Compensation

The Company has employee stock benefit plans, which are described more fully in "Note 13: Employee Stock Benefit Plans." Stock compensation expense recognized in the Consolidated Statements of Income is based on the fair value of the portion of share-based payment awards expected to vest during the period, net of estimated forfeitures. The Company attributes the fair value of stock options and restricted stock units ("RSUs") to expense using the straight-line method. The fair value for time-based and performance-based RSUs ("PSUs") is measured at the grant date using the fair value of Trimble's common stock, with total expense for PSUs based upon the expected achievement of the underlying performance goals as adjusted in future periods for changes in expectations and actual achievement. The fair value for restricted stock units with market-based vesting conditions is measured at the grant date using a Monte Carlo simulation. The grant date fair value for options is estimated using the binomial valuation model. The fair value of rights to purchase shares under the Employee Stock Purchase Plan ("ESPP") is estimated using the Black-

Scholes option-pricing model. The Company estimates forfeitures at the date of grant and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical and current information to estimate forfeitures.

Income Taxes

Income taxes are accounted for under the liability method whereby deferred tax assets or liability account balances are calculated at the balance sheet date using current tax laws and rates in effect for the year in which the differences are expected to affect taxable income. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets if it is more likely than not such assets will not be realized. The Company’s valuation allowance is primarily attributable to foreign net operating losses and state research and development credit carryforwards. Management believes that it is more likely than not that the Company will not realize certain of these deferred tax assets, and, accordingly, a valuation allowance has been provided for such amounts. Valuation allowance adjustments associated with an acquisition after the measurement period are recorded through income tax expense.

Relative to uncertain tax positions, the Company only recognizes a tax benefit if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and may not accurately forecast actual tax audit outcomes. Determining whether an uncertain tax position is effectively settled requires judgment. Changes in recognition or measurement of the Company's uncertain tax positions would result in the recognition of a tax benefit or an additional charge to the tax provision. The Company’s practice is to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company is subject to income taxes in the U.S. and numerous other countries, and is subject to routine corporate income tax audits in many of these jurisdictions. The Company generally believes that positions taken on its tax returns are more likely than not to be sustained upon audit, but tax authorities in some circumstance have, and may in the future, successfully challenge these positions. Accordingly, the Company’s income tax provision includes amounts intended to satisfy assessments that may result from these challenges. Determining the income tax provision for these potential assessments and recording the related effects requires management judgments and estimates. The amounts ultimately paid on resolution of an audit could be materially different from the amounts previously included in the Company’s income tax provision and, therefore, could have a material impact on its income tax provision, net income and cash flows. The Company’s accrual for uncertain tax positions includes uncertainties concerning the tax treatment of our international operations, including the allocation of income among different jurisdictions, intercompany transactions and related interest. See Note 11 of the Notes to consolidated financial statements for additional information.

Computation of Earnings Per Share

The number of shares used in the calculation of basic earnings per share represents the weighted average common shares outstanding during the period and excludes any potentially dilutive securities. The dilutive effects of outstanding stock options, shares to be purchased under the Company’s employee stock purchase plan and restricted stock units are included in diluted earnings per share.

Recent Accounting Pronouncements

Fiscal 2017 Adoption

Inventory

In July 2015, the FASB issued amendments to simplify the measurement of inventory. Under the amendments, inventory will be measured at the “lower of cost or net realizable value” and options that existed for “market value” are eliminated. The guidance defines net realizable value as the “estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation”. The Company adopted the amendments beginning in the first quarter of fiscal 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

Derivatives and Hedging

In March 2016, the FASB issued amendments to its guidance on the accounting for derivatives and hedging. The new guidance clarifies the requirements for assessing whether contingent call or put options that can accelerate the payment of principal on debt instruments are clearly and closely related to their debt hosts. The Company adopted the amendments beginning in the first quarter of fiscal 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

Investments - Equity Method and Joint Ventures

In March 2016, the FASB issued new guidance related to equity investments and joint ventures. This standard eliminates the requirement that when an existing cost method investment qualifies for use of the equity method, an investor must restate its historical financial statements, as if the equity method had been used during all previous periods. Under the new guidance, at the point an investment qualifies for the equity method, any unrealized gain or loss in accumulated other comprehensive income is recognized through earnings. The Company adopted the amendments beginning in the first quarter of fiscal 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

Compensation - Stock Compensation

In March 2016, the FASB issued new guidance that changes certain aspects of the accounting for share-based payments awards, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company adopted the amendments beginning in the first quarter of fiscal 2017 and elected to apply the presentation requirements for cash flows related to excess tax benefits retrospectively to all periods presented which resulted in an increase to both net cash from operations and net cash used in financing of $6.5 million and $2.1 million for fiscal years ended 2016 and 2015 respectively. The presentation requirements for cash flows related to employee taxes paid for withheld shares had no impact to any of the periods presented on its Consolidated Statements of Cash Flows since such cash flows have historically been presented as a financing activity. Adoption of the new standard resulted in the recognition of excess tax benefits in the Company's provision for income taxes rather than paid-in capital of $8.9 million for fiscal year ended 2017.

Consolidation

In October 2016, the FASB issued amendments to its guidance on the accounting for related parties, which amends the consolidation guidance issued in February 2015 regarding the treatment of indirect interests held through related parties that are under common control. The Company adopted the amendments beginning in the first quarter of fiscal 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

Fiscal 2018 Adoption

Revenue from Contracts with Customers

In May 2014, the FASB issued a comprehensive new revenue recognition standard that replaces the current revenue recognition guidance under U.S. GAAP. The new standard requires companies to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard may be applied either retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application. The Company plans to adopt this accounting standard update in the first quarter of fiscal 2018 using the full retrospective adoption method. The Company does not anticipate that its internal control framework will materially change, but rather existing internal controls will be modified and augmented as necessary to implement the new revenue standard.

While the Company continues to assess all potential impacts of the standard, it is currently anticipated that the standard will not have a material impact on its Consolidated Statements of Income or Statements of Cash Flows. However, it does anticipate that the standard will have a material impact on the Consolidated Balance Sheets with the primary impacts due to a reduction in deferred revenue for revenue streams that will be recognized sooner under the new standard, which is currently estimated at between $40.0 million and $55.0 million , and capitalization of incremental costs to obtain customer contracts, which is currently estimated at between $30.0 million and $40.0 million .

Although it is expected that the annual revenue impacts on the Consolidated Statements of Income will be not be material, the timing of a portion of revenue may shift between periods due primarily to the accounting for software term licenses, custom professional service contracts, and non-standard terms and conditions. Under the new standard, software term license revenue will be recognized predominantly at the time of delivery rather than ratably over the contract period as is required under the current standard. Some custom professional service contracts are expected to be recognized over time rather than at contract completion. The majority of revenue, which is related to hardware, software perpetual licenses, SaaS, and other service and support offerings, will remain substantially unchanged. Additionally, incremental costs to obtain customer contracts will be capitalized and amortized over a benefit period, which is the shorter of customer or product life. The Company will elect a practical expedient to exclude contracts with a benefit period of a year or less from this deferral requirement for both retrospective and future financial statement periods. The annual cost impact of the deferral and amortization on the Consolidated Statements of Income is not expected to be material.

Financial Instruments - Overall

In January 2016, the FASB issued new guidance that will require entities to measure equity investments currently accounted for under the cost method at fair value and recognize any changes in fair value in net income. For equity investments without readily determinable fair values, an entity may elect measurement at cost minus impairment, if any, plus or minus any adjustments from observable market transactions. The Company plans to adopt this standard in the first quarter of fiscal 2018 on a prospective basis as required specifically for equity investments. Since none of its equity investments have readily determinable fair values, the Company will elect to measure equity investments at cost less any impairments unless an observable transaction occurs, at which time, the Company would remeasure the investment through net income. The Company’s equity investments are immaterial on its consolidated balance sheets; therefore, adoption of this guidance will not have a material impact. Additionally, other provisions of this standard will not have a material impact for the Company’s consolidated financial statements.

Statement of Cash Flows

In August 2016, the FASB issued new guidance related to statement of cash flows. This guidance amended the existing accounting standard for the statement of cash flows by providing unified guidance for classification of certain cash receipts and cash payments. The Company will adopt this guidance in the first quarter of fiscal 2018, retrospectively. The impact of the related amendments will include, for all periods presented, (a) a reclassification of contingent consideration payments made after business combinations by decreasing net cash used in investing activities and increasing net cash used in financing activities, and (b) a reclassification of dividends received from equity method investees by decreasing net cash provided by investing activities and increasing net cash provided by operating activities.

Accounting for Income Taxes - Intra-Entity Asset Transfers

In October 2016, the FASB issued new guidance related to income taxes. This standard requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The guidance is effective and will be adopted by the Company in its first quarter of fiscal 2018 by using a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the effective date. Although the Company expects that the deferred tax assets will increase, the adoption of this guidance will not have a material impact on the Company’s consolidated financial statements.

Other Income - Gains and Losses from the Derecognition of Non-financial Assets

In February 2017, the FASB issued new guidance clarifying the scope and application of existing guidance related to the sale or transfer of non-financial assets to non-customers that is not a sale of a business, including partial sales and transfers of non-financial assets to joint ventures. The amendments are effective at the same time as the new revenue recognition guidance, which the Company expects to adopt in the first quarter of fiscal 2018. The adoption of this guidance will not have a material impact on the Company’s consolidated financial statements.

Compensation - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost

In March 2017, the FASB issued new guidance to improve the presentation for components of defined benefit pension cost, which requires employers to report the service cost component of net periodic pension cost in the same line item as other compensation expense arising from services rendered during the period. The standard also requires the other components of net periodic cost be presented in the income statement separately from the service cost component and outside of a subtotal of income from operations. The guidance is effective and will be adopted by the Company in its first quarter of fiscal 2018 on a retrospective basis. The Company has defined benefit pension plans that are immaterial for its consolidated financial statements; therefore, adoption of this guidance will not have a material impact.

<u>Future Adoption</u>

Leases

In February 2016, the FASB issued new guidance that requires a lessee to recognize lease assets and lease liabilities on the balance sheet for most leases and provide enhanced disclosures. Most prominent is the recognition of assets and liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. Under the new standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Leases will continue to be classified as either finance or operating leases, and for both, the initial lease liabilities should be measured at the present value of the lease payments. This new guidance is effective beginning in fiscal 2019, although early adoption is permitted. Companies are required to use a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements and there are certain practical expedients that companies may elect, including an accounting policy election to not recognize lease assets and liabilities for leases with a term of twelve months or less. While the Company is continuing to assess all potential impacts of the standard, it currently anticipates that the standard will have a material effect on its consolidated balance sheets, with the most significant impact related to the accounting for real estate lease assets and liabilities. The Company plans to adopt the standard in fiscal 2019 and is evaluating the use of optional practical expedients.

Financial Instruments - Credit Losses

In June 2016, the FASB issued new guidance that requires credit losses on financial assets measured at amortized cost basis to be presented based on the net amount expected to be collected, not based on incurred losses. Further, credit losses on available-for-sale debt securities should be recorded through an allowance for credit losses limited to the amount by which fair value is below amortized cost. The new standard is effective for the Company beginning in fiscal 2020. Early adoption for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018 is permitted. The Company is currently evaluating the effect of the updated standard on its consolidated financial statements.

Intangibles - Goodwill and Other

In January 2017, the FASB issued new guidance to that simplifies the accounting for goodwill impairment by requiring impairment charges to be based on the first step in today's two-step impairment test. The impairment test is performed by comparing the fair value of a reporting unit with its carrying amount and an impairment charge would be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value. The new standard is to be applied on a prospective basis and is effective for the Company beginning in fiscal 2020 and early adoption is permitted. The Company currently anticipates that the adoption will not have a material impact on its consolidated financial statements.

NOTE 3: EARNINGS PER SHARE

Basic earnings per share is computed by dividing Net income by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing Net income by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding stock options, shares to be purchased under the Company's employee stock purchase plan and restricted stock units. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities.

The following table shows the computation of basic and diluted earnings per share:

Fiscal Years	**2017**	**2016**	**2015**
(In millions, except per share data)			
Numerator:			
Net income attributable to Trimble Inc.	$ 121.1	$ 132.4	$ 121.1
Denominator:			
Weighted average number of common shares used in basic earnings per share	252.1	250.5	255.8
Effect of dilutive securities	4.6	3.4	2.7
Weighted average number of common shares and dilutive potential common shares used in diluted earnings per share	256.7	253.9	258.5
Basic earnings per share	$ 0.48	$ 0.53	$ 0.47
Diluted earnings per share	$ 0.47	$ 0.52	$ 0.47

For fiscal 2017 , 2016 and 2015 the Company excluded 0.5 million shares, 4.3 million shares and 6.1 million shares of outstanding stock options, respectively, from the calculation of diluted earnings per share because their effect would have been antidilutive.

NOTE 4: BUSINESS COMBINATIONS

During fiscal 2017 , 2016 and 2015 the Company acquired multiple businesses, all with cash consideration. The Consolidated Statements of Income include the operating results of the businesses from the dates of acquisition.

During fiscal 2017 , the Company acquired ten businesses, with total purchase consideration of $331.2 million . The purchase prices ranged from less than $2.0 million to $134.0 million . The largest acquisition was Müller-Elektronik, a privately held German company specializing in implement control and precision farming solutions. In the aggregate, the businesses acquired during fiscal 2017 contributed approximately two percent to the Company's total revenue during fiscal 2017 .

During fiscal 2016 , the Company acquired four businesses, with total purchase consideration of $27.6 million . The purchase prices ranged from less than $0.3 million to $14.0 million . The acquisitions were not significant individually or in the aggregate. The largest acquisition was of a company that manages content and software solutions that enable Mechanical, Electrical and Plumbing (MEP) contractors and engineers to produce intelligent and constructible models, based in Rocklin, California. In the aggregate, the businesses acquired during fiscal 2016 contributed less than one percent to the Company's total revenue during fiscal 2016 .

During fiscal 2015 , the Company acquired thirteen businesses, with total purchase consideration of $176.2 million . The acquisitions were not significant individually or in the aggregate. The purchase prices ranged from less than $2.0 million to $30.0 million . The largest acquisition was a Norwegian company specializing in BIM software for infrastructure design software solutions across the European region. In the aggregate, the businesses acquired during fiscal 2015 collectively contributed less than one percent to the Company's total revenue during fiscal 2015 .

The Company determined the total consideration paid for each of its acquisitions as well as the fair value of the assets acquired and liabilities assumed as of the date of each acquisition. For certain acquisitions completed in fiscal 2017 , the fair value of the assets acquired and liabilities assumed are preliminary and may be adjusted as the Company obtains additional information, primarily related to adjustments for the true up of acquired net working capital in accordance with certain purchase agreements, and estimated values of certain net tangible assets and liabilities including tax balances, pending the completion of final studies and analyses. If there are adjustments made for these items the fair value of intangible assets and goodwill could be impacted. Thus the provisional measurements of fair value set forth below are subject to change. Such changes could be significant. The Company expects to finalize the valuation of the net tangible and intangible assets as soon as practicable, but not later than one -year from the acquisition date.

The fair value of identifiable assets acquired and liabilities assumed were determined under the acquisition method of accounting for business combinations. The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill. The fair value of intangible assets acquired is generally determined based on a discounted cash flow analysis. Acquisition costs of $7.4 million , $6.8 million and $9.9 million in fiscal 2017 , 2016 and 2015 , respectively, were expensed as incurred, along with the changes in fair value of the contingent consideration liabilities, and are included in General and administrative expenses in the Consolidated Statements of Income.

The following table summarizes the Company’s business combinations completed during fiscal 2017 , 2016 and 2015 :

Fiscal Years	**2017**	**2016**	**2015**
(In millions)			
Fair value of total purchase consideration	$ 331.2	$ 27.6	$ 176.2
Less fair value of net assets acquired:			
Net tangible assets acquired	29.7	(1.9)	8.0
Identified intangible assets	166.7	13.6	83.3
Deferred taxes	(5.8)	(1.3)	(13.6)
Goodwill	$ 140.6	$ 17.2	$ 98.5

Intangible Assets

The following table presents details of the Company's total intangible assets:

		At the End of Fiscal 2017			At the End of Fiscal 2016		
(In millions)	Weighted-Average Remaining Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed product technology	6	$ 915.3	$ (729.9)	$ 185.4	$ 794.8	$ (620.6)	$ 174.2
Trade names and trademarks	5	58.7	(48.6)	10.1	50.9	(42.9)	8.0
Customer relationships	7	512.1	(351.3)	160.8	438.7	(294.1)	144.6
Distribution rights and other intellectual properties	6	69.2	(60.7)	8.5	64.3	(57.8)	6.5
		$ 1,555.3	$ (1,190.5)	$ 364.8	$ 1,348.7	$ (1,015.4)	$ 333.3

The estimated future amortization expense of intangible assets at the end of fiscal 2017 is as follows (in millions):

2018	$ 133.1
2019	91.6
2020	62.6
2021	40.7
2022	21.7
Thereafter	15.1
Total	$ 364.8

Goodwill

In March 2017, the information used to allocate resources and assess performance that is provided to the Company's chief operating decision maker, its Chief Executive Officer, changed to better reflect the Company's customer base and end markets. As further described in Note 6, the new reporting structure consists of four operating segments, each representing a single reporting unit: Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation. Goodwill was reassigned to the new reporting units using the relative fair values and, as a result of this reassignment, an impairment assessment was performed immediately before and after the reorganization of the Company's reporting structure. There was no goodwill impairment resulting from this assessment in the first quarter of fiscal 2017.

The changes in the carrying amount of goodwill by segment for fiscal 2017 are as follows:

(In millions)	Buildings and Infrastructure	Geospatial	Resources and Utilities	Transportation	Total
At the end of fiscal 2016	$ 663.7	$ 405.1	$ 217.7	$ 791.1	$ 2,077.6
Additions due to acquisitions and current year acquisitions' purchase price adjustments	2.5	—	86.3	51.8	140.6
Purchase price adjustments - prior years' acquisitions	(0.1)	—	—	—	(0.1)
Foreign currency translation adjustments	40.7	17.1	10.5	7.6	75.9
Divestitures (1)	—	(6.9)	—	—	(6.9)
At the end of fiscal 2017	$ 706.8	$ 415.3	$ 314.5	$ 850.5	$ 2,287.1

(1) In the first quarter of 2017, the Company sold its ThingMagic business, which was part of the Geospatial segment.

NOTE 5: CERTAIN BALANCE SHEET COMPONENTS

The following tables provide details of selected balance sheet items:

At the End of Fiscal Year	**2017**	**2016**
(In millions)		
Inventories:		
Raw materials	$ 85.4	$ 77.9
Work-in-process	12.4	6.8
Finished goods	174.0	134.1
Total inventories	$ 271.8	$ 218.8

Finished goods includes $16.6 million at the end of fiscal year 2017 and $14.4 million at the end of fiscal year 2016 for costs of sales that have been deferred in connection with arrangements for which the related revenue has been deferred.

At the End of Fiscal Year	**2017**	**2016**
(In millions)		
Property and equipment, net:		
Machinery and equipment	$ 130.6	$ 113.3
Software and licenses	124.4	119.4
Furniture and fixtures	29.3	26.3
Leasehold improvements	36.6	32.1
Construction in progress	32.9	10.8
Buildings	60.9	47.9
Land	10.0	8.3
	424.7	358.1
Less: accumulated depreciation	(250.7)	(213.9)
Total	$ 174.0	$ 144.2

At the End of Fiscal Year	**2017**	**2016**
(In millions)		
Other non-current liabilities:		
Deferred compensation	$ 27.1	$ 22.6
Pension	19.6	13.1
Deferred rent	3.1	3.3
Unrecognized tax benefits	76.4	65.3
Other	35.8	9.5
Total	$ 162.0	$ 113.8

NOTE 6: REPORTING SEGMENT AND GEOGRAPHIC INFORMATION

Operating segments are defined as components of an enterprise that engage in business activities for which separate financial information is available and evaluated by the Company's Chief Executive Officer (our chief operating decision maker or "CODM") in deciding how to allocate resources and assess performance. The CODM evaluates each segment's performance and allocates resources based on segment operating income before income taxes and corporate allocations. The Company and each of its segments employ consistent accounting policies. In each of its segments, the Company sells many individual products. For this reason it is impracticable to segregate and identify revenue for each of the individual products or group of products. Stock-based compensation is shown in the aggregate within unallocated corporate expense and is not reflected in the segment results, which is consistent with the way the CODM evaluates each segment's performance and allocates resources.

Prior to fiscal 2017, the Company operated its business in four reportable segments - Engineering and Construction, Field Solutions, Mobile Solutions, and Advanced Devices. In March 2017, the Company effected a change in the reporting of its segment financial results to better reflect the Company's customer base and end markets. As a result of the Company's evolution, the CODM changed the information he regularly reviews to allocate resources and assess performance. Beginning with the first fiscal quarter of 2017, the Company reports its financial performance based on four new reportable segments - Buildings and Infrastructure, Geospatial, Resources and Utilities, and Transportation.

The Company's reportable segments are described below:

- Buildings and Infrastructure: This segment primarily serves customers working in architecture, engineering, construction, geospatial and government.
- Geospatial: This segment primarily serves customers working in surveying, engineering, government, and land management.
- Resources and Utilities: This segment primarily serves customers working in agriculture, forestry, and utilities.
- Transportation: This segment primarily serves customers working in transportation, including transportation and logistics, automotive, rail, and military aviation.

The following tables present revenue, operating income, depreciation expense and identifiable assets for the four segments. Operating income is revenue less cost of sales and operating expenses, excluding unallocated corporate expenses, restructuring charges, amortization of purchased intangible assets, stock-based compensation, amortization of acquisition-related inventory step-up, acquisition and divestiture items, and executive transition costs. The identifiable assets that the CODM views by segment are accounts receivable, inventories and goodwill.

Fiscal Years	2017	2016	2015
(In millions)			
Buildings and Infrastructure			
Revenue	$ 834.9	$ 743.5	$ 688.6
Operating income	179.9	133.9	108.2
Depreciation expense	6.2	7.0	7.8
Geospatial			
Revenue	$ 661.2	$ 634.7	$ 672.8
Operating income	130.9	120.8	135.3
Depreciation expense	5.4	6.5	6.4
Resources and Utilities			
Revenue	$ 476.9	$ 395.7	$ 381.8
Operating income	136.3	118.4	109.9
Depreciation expense	3.2	2.0	1.9
Transportation			
Revenue	$ 681.2	$ 588.3	$ 547.2
Operating income	120.6	102.9	106.5
Depreciation expense	5.2	5.5	5.2
Total			
Revenue	$ 2,654.2	$ 2,362.2	$ 2,290.4
Operating income	567.7	476.0	459.9
Depreciation expense	20.0	21.0	21.3

At the End of Fiscal Year	2017	2016
(In millions)		
Buildings and Infrastructure		
Accounts receivable	$ 118.5	$ 104.7
Inventories	62.1	51.3
Goodwill	706.8	663.7
Geospatial		
Accounts receivable	$ 117.7	$ 108.3
Inventories	110.7	100.4
Goodwill	415.3	405.1
Resources and Utilities		
Accounts receivable	$ 76.9	$ 65.5
Inventories	45.3	31.0
Goodwill	314.5	217.7
Transportation		
Accounts receivable	$ 101.7	$ 76.3
Inventories	53.7	36.1
Goodwill	850.5	791.1
Total		
Accounts receivable	$ 414.8	$ 354.8
Inventories	271.8	218.8
Goodwill	2,287.1	2,077.6

A reconciliation of the Company’s consolidated segment operating income to consolidated income before income taxes is as follows:

Fiscal Years	2017	2016	2015
(In millions)			
Consolidated segment operating income	$ 567.7	$ 476.0	$ 459.9
Unallocated corporate expense (1)	(87.4)	(70.5)	(70.0)
Restructuring charges (2)	(10.5)	(13.3)	(12.8)
Stock-based compensation	(64.8)	(52.6)	(50.1)
Amortization of purchased intangible assets	(148.8)	(150.8)	(162.4)
Amortization of acquisition-related inventory step-up	(2.8)	—	—
Acquisition and divestiture items	(7.4)	(6.8)	(9.9)
Executive transition costs	—	(1.0)	—
Litigation costs	—	—	(0.3)
Consolidated operating income	246.0	181.0	154.4
Non-operating income (expense), net	13.1	(4.3)	(2.6)
Consolidated income before taxes	$ 259.1	$ 176.7	$ 151.8

(1) Unallocated corporate expense includes general corporate expense.

(2) Restructuring charges primarily consist of severance and benefits, resulting from employee headcount reductions in connection with the Company's restructuring programs related to decisions to streamline processes and reduce the cost structure. As of the end of fiscal 2017 , the Company's restructuring liability was $1.4 million , which is expected to be settled in fiscal 2018. Restructuring liabilities are reported within Other current liabilities on the Consolidated Balance Sheets.

The geographic distribution of Trimble’s revenue and long-lived assets is summarized in the tables below. Other non-US geographies include Canada, and countries in South and Central America, the Middle East, and Africa. Revenue is defined as revenue from external customers.

Fiscal Years	2017	2016	2015
(In millions)			
Revenue (1):			
United States	$ 1,285.7	$ 1,156.0	$ 1,142.1
Europe	677.1	574.9	557.2
Asia Pacific	378.3	352.6	321.1
Other non-US countries	313.1	278.7	270.0
Total consolidated revenue	$ 2,654.2	$ 2,362.2	$ 2,290.4

(1) Revenue is attributed to countries based on the location of the customer.

No single customer or country other than the United States accounted for 10% or more of Trimble's total revenue in fiscal years 2017 , 2016 and 2015 . No single customer accounted for 10% or more of Trimble's accounts receivable as of fiscal years ended 2017 and 2016 .

Property and equipment, net by geographic area was as follows:

At the End of Fiscal Year	2017	2016
(In millions)		
Property and equipment, net:		
United States	$ 131.7	$ 120.4
Europe	33.1	15.3
Asia Pacific and other non-US countries	9.2	8.5
Total property and equipment, net	$ 174.0	$ 144.2

NOTE 7: DEBT

Debt consisted of the following:

At the End of Fiscal Year	2017	2016
(In millions)		
Notes:		
Principal amount	$ 400.0	$ 400.0
Unamortized discount on Notes	(2.2)	(2.5)
Debt issuance costs	(2.1)	(2.4)
Credit Facilities:		
2014 Credit facility	389.0	94.0
Uncommitted facilities	128.0	130.0
Promissory notes and other debt	1.2	0.8
Total debt	913.9	619.9
Less: Short-term debt	128.4	130.3
Long-term debt	$ 785.5	$ 489.6

Notes

On October 30, 2014 , the Company filed a shelf registration statement with the Securities and Exchange Commission ("SEC") for the issuance of senior debt securities. On November 24, 2014 , the Company issued $400.0 million of Senior Notes ("Notes") under the shelf registration statement. Net proceeds from the offering were $396.9 million after deducting the 0.795% discount on the public offering price. The Company recognized $3.0 million of debt issuance costs associated with the issuance of the Notes, including an underwriting discount of $2.6 million , which is classified as an offset to the Notes on the Consolidated Balance Sheets. The discount and debt issuance costs are being amortized to interest expense using the effective interest rate method over the term of the Notes. The Notes mature on December 1, 2024 and accrue interest at a rate of 4.75% per annum, payable semiannually in arrears in cash on December 1 and June 1 of each year, beginning on June 1, 2015. The Notes are classified as long-term in the Consolidated Balance Sheets.

Prior to September 1, 2024, Trimble may redeem the Notes at its option at any time, in whole or in part, at a redemption price equal to the greater of (i) 100% of the aggregate principal amount of the Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of interest and principal, calculated on a semiannual basis using a discount rate equal to the U.S. Treasury rate plus 40 basis points. After September 1, 2024, Trimble may redeem the Notes at its option at any time, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of the Notes to be redeemed, plus accrued and unpaid interest thereon. In addition, in the event of a change of control, as defined in the prospectus filed with the SEC, each holder of the Notes will have the right to require Trimble to purchase for cash all or a portion of such holder's Notes at a purchase price equal to 101% of the principal amount of the Notes, plus any accrued and unpaid interest.

In connection with the closing of the Notes offering, Trimble entered into an Indenture with U.S. Bank National Association, as trustee. The Indenture contains covenants limiting Trimble's ability to create certain liens, enter into sale and lease-back transactions, and consolidate or merge with or into, or convey, transfer or lease all or substantially all of Trimble's properties and assets to, another person, each subject to certain exceptions. The Notes contain no financial covenants.

Credit Facilities

2014 Credit Facility

On November 24, 2014 , the Company entered into a new five -year credit agreement with a group of lenders (the "2014 Credit Facility"). The 2014 Credit Facility provides for an unsecured revolving loan facility of $1.0 billion . Subject to the terms of the 2014 Credit Facility, the revolving loan facility may be increased and/or term loan facilities may be established in an amount up to $500.0 million . The outstanding balance of $389.0 million and $94.0 million is classified as long-term in the Consolidated Balance Sheets as of fiscal years ended 2017 and 2016 , respectively.

The 2014 Credit Facility replaced the Company's previous 2012 Credit Facility comprised of a five -year revolving loan facility of $700.0 million and a five -year $700.0 million term loan facility. Upon entering into the 2014 Credit Facility, the Company borrowed $307.0 million under the revolving loan facility. The Company used the proceeds from the revolving loan facility and the issuance of the Notes to pay off the then $638.8 million outstanding term loan balance under the 2012 Credit Facility. The Company also wrote off a portion of the unamortized debt issuance costs related to the 2012 Credit Facility totaling $2.7 million , which is classified as a non-operating expense in the Company's fiscal 2014 Consolidated Statement of Income. In addition, the Company recognized $1.6 million of debt issuance costs associated with the 2014 Credit Facility. The remaining unamortized debt issuance costs associated with the 2012 Credit Facility and the new debt issuance costs associated with the 2014 Credit Facility are classified as current and non-current assets on the Consolidated Balance Sheets and being amortized to interest expense using the effective interest rate method over the term of the 2014 Credit Facility.

The funds available under the 2014 Credit Facility may be used for working capital and general corporate purposes including stock repurchases and the financing of certain acquisitions. Under the 2014 Credit Facility, the Company may borrow, repay and reborrow funds under the revolving loan facility until its maturity on November 24, 2019 , at which time the revolving facility will terminate, and all outstanding loans, together with all accrued and unpaid interest, must be repaid. Amounts not borrowed under the revolving facility will be subject to a commitment fee, to be paid in arrears on the last day of each fiscal quarter, ranging from 0.10% to 0.30% per annum depending on either the Company's credit rating at such time or the Company's leverage ratio as of the most recently ended fiscal quarter, whichever results in more favorable pricing to the Company.

The Company may borrow funds under the 2014 Credit Facility in U.S. Dollars, Euros or in certain other agreed currencies, and borrowings will bear interest, at the Company's option, at either: (i) a floating per annum base rate determined by reference to the highest of: (a) the administrative agent's prime rate; (b) 0.50% per annum above the federal funds effective rate; and (c) reserve-adjusted LIBOR for an interest period of one month plus 1.00% , plus a margin of between 0.00% and 0.75% , or (ii) a reserve-adjusted fixed per annum rate based on LIBOR or EURIBOR, depending on the currency borrowed, plus a margin of between 1.00% and 1.75% . The applicable margin in each case is determined based on either Trimble's credit rating at such time or Trimble's leverage ratio as of its most recently ended fiscal quarter, whichever results in more favorable pricing to Trimble. Interest is payable on the last day of each fiscal quarter with respect to borrowings bearing interest at the base rate, or on the last day of an interest period, but at least every three months, with respect to borrowings bearing interest at LIBOR or EURIBOR rate.

The 2014 Credit Facility contains various customary representations and warranties by the Company, which include customary use of materiality, material adverse effect and knowledge qualifiers. The 2014 Credit Facility also contains customary affirmative and negative covenants including, among other requirements, negative covenants that restrict the Company's ability to create liens and enter into sale and leaseback transactions, and that restrict its subsidiaries' ability to incur indebtedness. Further, the 2014 Credit Facility contains financial covenants that require the maintenance of minimum interest coverage and maximum leverage ratios. Specifically, the Company must maintain as of the end of each fiscal quarter a ratio of (a) EBITDA (as defined in the 2014 Credit Facility) to (b) interest expense for the most recently ended period of four fiscal quarters of not less than 3.50 to 1.00. The

Company must also maintain, at the end of each fiscal quarter, a ratio of (x) total indebtedness (as defined in the 2014 Credit Facility) to (y) EBITDA (as defined in the 2014 Credit Facility) for the most recently ended period of four fiscal quarters of not greater than 3.00 to 1.00; provided, that on the completion of a material acquisition, the Company may increase the ratio by 0.50 for the fiscal quarter during which such acquisition occurred and each of the three subsequent fiscal quarters. The Company was in compliance with these covenants at the end of fiscal 2017.

The 2014 Credit Facility contains events of default that include, among others, non-payment of principal, interest or fees, breach of covenants, inaccuracy of representations and warranties, cross defaults to certain other indebtedness, bankruptcy and insolvency events, material judgments and events constituting a change of control. Upon the occurrence and during the continuance of an event of default, interest on the obligations will accrue at an increased rate in the case of an event of default arising from the nonpayment of principal and the lenders may accelerate the Company's obligations under the 2014 Credit Facility, except that acceleration will be automatic in the case of bankruptcy and insolvency events of default.

In February 2016, the Company entered into an amendment to the 2014 Credit Facility to facilitate the Company's reincorporation from California to Delaware and to effect other non-financial terms. In August 2016, the Company entered into a second amendment to revise a definition used in determining when a change of control of the Company may occur.

The weighted average interest rate on the long-term debt outstanding under the 2014 Credit Facility was 2.55% and 1.80% at the end of fiscal 2017 and 2016 , respectively.

Uncommitted Facilities

The Company also has two $75.0 million revolving credit facilities which are uncommitted (the "Uncommitted Facilities"). The Uncommitted Facilities may be called by the lenders at any time, have no covenants and no specified expiration date. The interest rate on the Uncommitted Facilities is 1.00% plus either LIBOR or the bank’s cost of funds or as otherwise agreed upon by the bank and the Company. The $128.0 million outstanding at the end of 2017 and the $130.0 million outstanding at the end of 2016 under the Uncommitted Facilities are classified as short-term in the Consolidated Balance Sheets. The weighted average interest rate on the Uncommitted Facilities was 2.24% at the end of fiscal 2017 and 1.65% at the end of fiscal 2016 .

Promissory Notes and Other Debt

At the end of fiscal 2017 and 2016 , the Company had promissory notes and other notes payable totaling approximately $1.2 million and $0.8 million , respectively, of which $0.8 million and $0.5 million , respectively, was classified as long-term in the Consolidated Balance Sheets.

Debt Maturities

At the end of fiscal 2017 , the Company's debt maturities based on outstanding principal were as follows (in millions):

Year Payable		
2018	$	128.4
2019		389.4
2020		0.3
2021		0.1
2022		—
Thereafter		400.0
Total	$	918.2

On February 2, 2018, the Company entered into a $300.0 million Revolving Credit Agreement (the “2018 Interim Credit Facility”), by and between the Company and The Bank of Nova Scotia. For additional discussion, see Note 17 to the consolidated financial statements.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Operating Leases and Other Commitments

The Company’s principal facilities are leased under various cancelable and non-cancelable operating leases that expire at various dates through 2025. For tenant improvement allowances and rent holidays, Trimble records a deferred rent liability on the Consolidated Balance Sheets and amortizes the deferred rent over the terms of the leases as reductions to rent expense on the Consolidated Statements of Income.

The estimated future minimum payments required under the Company's operating lease commitments at the end of fiscal 2017 were as follows (in millions):

2018	$	35.5
2019		30.1
2020		22.5
2021		19.7
2022		15.1
Thereafter		29.5
Total	$	152.4

Net rent expense under operating leases was $35.5 million in fiscal 2017 , $34.4 million in fiscal 2016 , and $34.0 million in fiscal 2015 .

At the end of fiscal 2017 , the Company had unconditional purchase obligations of approximately $198.1 million . These unconditional purchase obligations primarily represent open non-cancelable purchase orders for material purchases with the Company's vendors. Purchase obligations exclude agreements that are cancelable without penalty.

Additionally, the Company has certain acquisitions that include additional earn-out cash payments based on estimated future revenues, gross margins or other milestones. At the end of fiscal 2017 , the Company had $14.2 million included in Other current liabilities of $0.9 million and Other non-current liabilities of $13.3 million related to these earn-outs, representing the fair value of the contingent consideration.

Litigation

On September 2, 2011, Recreational Data Services, LLC filed a lawsuit in the Superior Court for the State of Alaska in Anchorage against Trimble Navigation Limited, Cabela's Incorporated, AT&T Mobility and Alascom, Inc., alleging breach of contract, breach of fiduciary duty, interference with contract, promissory estoppel, fraud, and negligent misrepresentation. The case was tried in front of a jury in Alaska beginning on September 9, 2014. On September 26, 2014, the jury returned a verdict in favor of the plaintiff and awarded the plaintiff damages of $51.3 million . On January 29, 2015, the court granted our Motion for Judgment Notwithstanding the Verdict, and on March 18, 2015, the Court awarded the Company a portion of its incurred attorneys' fees and costs, and entered Final Judgment in the Company's favor in the amount of $0.6 million . The Judgment also provides that the plaintiff take nothing on its claims. On April 17, 2015, the plaintiff filed a Notice of Appeal to the Alaska Supreme Court. On March 24, 2017, the Alaska Supreme Court affirmed, in part, and reversed, in part, the trial court's decision. The Alaska Supreme Court affirmed the trial court's determination that plaintiff had not proven damages and was not entitled to recover any lost profits, and remanded the case to the trial court for an award of nominal damages to plaintiff. On December 8, 2017, the trial court entered judgment awarding nominal damages (one Dollar) to plaintiff. On December 22, 2017, plaintiff filed a Petition for Writ of Certiorari with the U.S. Supreme Court seeking further review of the Alaska Supreme Court's decision.

From time to time, the Company is also involved in litigation arising out of the ordinary course of our business. There are no other material legal proceedings, other than ordinary routine litigation incidental to the business, to which the Company or any of its subsidiaries is a party or of which any of the Company's or its subsidiaries' property is subject.

NOTE 9. CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

The following table summarizes the Company's available-for-sale securities:

At the End of Fiscal Year	2017	2016
(In millions)		
Available-for-sale securities:		
U.S. Treasury securities	$ 9.6	$ 11.7
Municipal debt securities	—	10.0
Corporate debt securities	96.0	31.7
Time deposit	—	2.4
Commercial paper	100.1	77.5
Total available-for-sale securities	$ 205.7	$ 133.3
Reported as:		
Cash and cash equivalents	$ 26.8	$ 22.2
Short-term investments	178.9	111.1
Total	$ 205.7	$ 133.3

The gross realized and unrealized gains or losses on the Company's available-for-sale investments as of the end of fiscal 2017 and 2016 were not significant. As of the end of fiscal 2017, the Company considered the decreases in market value on its available-for-sale investments to be temporary in nature and did not consider any of the investments to be other-than-temporarily impaired.

The following table presents the contractual maturities of the Company's available-for-sale investments:

At the End of Fiscal Year	2017	2016
(In millions)		
Due in less than 1 year	$ 191.1	$ 106.9
Due in 1 to 5 years	14.6	16.4
Due in 5-10 years	—	2.0
Due after 10 years	—	8.0
Total	$ 205.7	$ 133.3

The Company’s available-for-sale securities are liquid and may be sold to fund future operating needs. As a result, the Company recorded all of its available-for-sale securities, not classified as Cash equivalents, in Short-term investments regardless of the contractual maturity date of the securities.

NOTE 10: FAIR VALUE MEASUREMENTS

The Company determines fair value based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters. Where observable prices or inputs are not available, valuation models are applied. Hierarchical levels, defined by the guidance on fair value measurements are directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, and are as follows:

Level I—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities.

Level II—Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level III—Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Fair Value on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations.

At the End of Fiscal Year	2017				2016			
(In millions)	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Assets								
Available-for-sale securities:								
U.S. Treasury securities (1)	$ —	$ 9.6	$ —	$ 9.6	$ —	$ 11.7	$ —	$ 11.7
Municipal debt securities (1)	—	—	—	—	—	10.0	—	10.0
Corporate debt securities (1)	—	96.0	—	96.0	—	31.7	—	31.7
Time deposit (1)		—		—		2.4		2.4
Commercial paper (1)	—	100.1	—	100.1	—	77.5	—	77.5
Total available-for-sale securities	—	205.7	—	205.7	—	133.3	—	133.3
Deferred compensation plan assets (2)	27.1	—	—	27.1	22.6	—	—	22.6
Derivative assets (3)	—	0.5	—	0.5	—	0.2	—	0.2
Contingent consideration asset (4)	—	—	—	—	—	—	7.0	7.0
Total assets measured at fair value	$ 27.1	$ 206.2	$ —	$ 233.3	$ 22.6	$ 133.5	$ 7.0	$ 163.1
Liabilities								
Deferred compensation plan liabilities (2)	$ 27.1	$ —	$ —	$ 27.1	$ 22.6	$ —	$ —	$ 22.6
Derivative liabilities (3)	—	0.1	—	0.1	—	0.1	—	0.1
Contingent consideration liabilities (5)	—	—	14.2	14.2	—	—	4.5	4.5
Total liabilities measured at fair value	$ 27.1	$ 0.1	$ 14.2	$ 41.4	$ 22.6	$ 0.1	$ 4.5	$ 27.2

(1) The Company's available-for sale securities are valued using readily available pricing sources for comparable instruments, or model-driven valuations using significant inputs derived from or corroborated by observable market data, including yield curves and credit ratings.
(2) The Company maintains a self-directed, non-qualified deferred compensation plan for certain executives and other highly compensated employees. The plan assets and liabilities are invested in actively traded mutual funds and individual stocks valued using observable quoted prices in active markets. Deferred compensation plan assets and liabilities are included in Other non-current assets and Other non-current liabilities, respectively, on the Company's Consolidated Balance Sheets.
(3) Derivative assets and liabilities primarily represent forward currency exchange contracts. The Company typically enters into these contracts to minimize the short-term impact of foreign currency exchange rates on certain trade and inter-company receivables and payables. Derivative assets and liabilities are included in Other current assets and Other current liabilities on the Company's Consolidated Balance Sheets.
(4) Contingent consideration asset represents an arrangement for buyers to pay the Company for a business that it has divested. The fair value is determined based on the Company's expectations of future receipts. Due to the Company's assessment of the recoverability of the contingent consideration asset, the Company recognized an impairment loss of $7.0 million , which is included in Other income, net for fiscal 2017.
(5) Contingent consideration liabilities represent arrangements to pay the former owners of certain companies that Trimble acquired. The undiscounted maximum payment under the arrangements is $50.3 million at the end of fiscal 2017 . The fair values are estimated using scenario-based methods or option pricing methods based upon estimated future revenues, gross margins or other milestones. Contingent consideration liabilities are included in Other current liabilities and Other non-current liabilities on the Company's Consolidated Balance Sheets.

Additional Fair Value Information

The following table provides additional fair value information relating to the Company's financial instruments outstanding:

At the End of Fiscal Year	2017		2016	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:				
Notes	$ 400.0	$ 430.4	$ 400.0	$ 410.6
2014 Credit facility	389.0	389.0	94.0	94.0
Uncommitted facilities	128.0	128.0	130.0	130.0
Promissory notes and other debt	1.2	1.2	0.8	0.8

The fair value of the Notes was determined based on observable market prices in less active markets and is categorized accordingly as Level II in the fair value hierarchy. The fair value of the bank borrowings and promissory notes has been calculated using an estimate of the interest rate the Company would have had to pay on the issuance of notes with a similar maturity and discounting the cash flows at that rate, and is categorized as Level II in the fair value hierarchy. The fair values do not give an indication of the amount that the Company would currently have to pay to extinguish any of this debt.

NOTE 11: INCOME TAXES

Income before taxes and the provision for taxes consisted of the following:

Fiscal Years	2017	2016	2015
(In millions)			
Income before taxes:			
United States	$ 38.0	$ 68.4	$ 55.6
Foreign	221.1	108.3	96.2
Total	$ 259.1	$ 176.7	$ 151.8
Provision for taxes:			
US Federal:			
Current	$ 98.6	$ 34.0	$ 47.5
Deferred	0.8	(14.3)	(23.0)
	99.4	19.7	24.5
US State:			
Current	4.5	3.5	5.7
Deferred	(1.1)	0.6	(2.8)
	3.4	4.1	2.9
Foreign:			
Current	42.7	28.8	25.4
Deferred	(7.6)	(8.1)	(21.7)
	35.1	20.7	3.7
Income tax provision	$ 137.9	$ 44.5	$ 31.1
Effective tax rate	53%	25%	20%

The difference between the tax provision at the statutory federal income tax rate and the tax provision as a percentage of income before taxes ("effective tax rate") was as follows:

Fiscal Years	2017	2016	2015
Statutory federal income tax rate	35 %	35 %	35 %
Increase (reduction) in tax rate resulting from:			
Foreign income taxed at lower rates	(15)%	(10)%	(11)%
US State income taxes	1 %	2 %	1 %
US Federal research and development credits	(3)%	(3)%	(3)%
Stock-based compensation	2 %	3 %	1 %
Excess tax benefit related to stock-based compensation	(3)%	— %	— %
Effect of U.S. tax law change	33 %	— %	— %
Foreign audit reserve release	— %	— %	(2)%
Divestiture	— %	(5)%	— %
Valuation allowance release - foreign	— %	— %	(3)%
Other	3 %	3 %	2 %
Effective tax rate	53 %	25 %	20 %

On December 22, 2017, the U.S. government enacted the 2017 Tax Cuts and Jobs Act (the "Tax Act"). The effective tax rate in fiscal 2017 increased compared to 2016 primarily due to the impact of Tax Act as discussed below and a tax benefit from a divestiture of a non-strategic business in 2016, partially offset by a favorable change in the geographic mix of pretax income and stock-based compensation tax benefits resulting from the adoption of FASB guidance for stock-based compensation.

The effective tax rate in fiscal 2016 increased compared to 2015 primarily due to the closing of a foreign audit and valuation allowance release in 2015, increase in nondeductible expense, and a change in the geographic mix of pretax income, partially offset by a tax benefit from a divestiture of a non-strategic business.

The Tax Act imposes a one-time mandatory transition tax on accumulated foreign earnings, which resulted a provisional amount of $126.0 million for the Company. In accordance with 2017 Tax Act taxation of foreign accumulated earnings and profits, the Company reversed its deferred tax liabilities associated with foreign earnings and made appropriate adjustments to certain tax reserves. This resulted in a provisional tax benefit of $46.7 million . The Tax Act reduces the corporate tax rate from 35% to 21% effective January 1, 2018. Since the reduced tax rate has been enacted in 2017, the Company re-measured its ending deferred tax assets and liabilities to reflect the realization at the new 21% corporate tax rate. The re-measurement resulted in a provisional $3.3 million charge to reduce its U.S. deferred tax assets. Finally, a provisional amount of $2.4 million in expense was recorded for state tax and foreign withholding taxes.

In addition, the SEC staff issued Staff Accounting Bulletin No. 118, Income Tax Accounting Implications of the Tax Act (“SAB 118”), which allows the Company to record provisional amounts during a measurement period not to extend beyond one year from the enactment date. Since the Tax Act was passed late in the fourth quarter of 2017, ongoing guidance and accounting interpretation are expected over the next year, and significant data and analysis is required to finalize amounts recorded pursuant to the Tax Act, the Company considers the accounting of the transition tax, deferred tax re-measurements, indefinite reinvestment assertion, and other items to be incomplete due to the forthcoming guidance and its ongoing analysis of final year-end data and tax positions. Also, the Company has not yet determined its policy election as to whether it will recognize deferred taxes for basis differences expected to reverse as Global Intangible Low Taxed Income (“GILTI”) or whether GILTI will be accounted for as a period cost if and when incurred. The Company expects to complete its analysis within the measurement period in accordance with SAB 118.

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's deferred tax assets and liabilities are as follows:

At the End of Fiscal Year	**2017**	**2016**
(In millions)		
Deferred tax liabilities:		
Purchased intangibles	$ 69.8	$ 91.9
Depreciation and amortization	13.1	11.7
US residual tax on foreign earnings	—	11.3
Total deferred tax liabilities	82.9	114.9
Deferred tax assets:		
Inventory valuation differences	4.6	12.9
Expenses not currently deductible	18.1	27.7
US federal tax credit carryforwards	0.2	0.3
Deferred revenue	5.8	6.9
US state tax credit carryforwards	21.7	15.1
Accrued warranty	2.0	3.1
US federal net operating loss carryforwards	6.4	3.8
Foreign net operating loss carryforwards	20.2	31.2
Stock-based compensation	21.5	31.9
Other	(4.4)	4.1
Total deferred tax assets	96.1	137.0
Valuation allowance	(25.2)	(30.6)
Total deferred tax assets	70.9	106.4
Total net deferred tax liabilities	$ (12.0)	$ (8.5)
Reported as:		
Non-current deferred income tax assets	28.4	30.3
Non-current deferred income tax liabilities	(40.4)	(38.8)
Net deferred tax liabilities	$ (12.0)	$ (8.5)

At the end of fiscal 2017, the Company has federal and foreign net operating loss carryforwards, or NOLs, of approximately $31.3 million and $100.2 million , respectively. The federal NOLs will begin to expire in 2021 . There is, generally, no expiration for the foreign NOLs. Utilization of the Company's federal and state NOLs is subject to annual limitations in accordance with the applicable tax code. The Company has determined that it is more likely than not that the Company will not realize a portion of the foreign NOLs and, accordingly, a valuation allowance has been established for such amount.

The Company has Federal and California research and development credit carryforwards after federal tax benefit of approximately $0.4 million and $24.2 million , respectively. The federal tax credit carryforwards will expire beginning 2030 . The California research tax credits have indefinite carryforward period. The Company believes that it is more likely than not that the Company will not realize a portion of the California research and development credit carryforwards and, accordingly, a valuation allowance has been established for such amount.

The total amount of the unrecognized tax benefits at the end of fiscal 2017 was $82.4 million . A reconciliation of gross unrecognized tax benefit is as follows:

Fiscal Years	**2017**	**2016**	**2015**
(In millions)			
Beginning gross balance	$ 72.9	$ 59.0	$ 51.4
Increase (decrease) related to prior years' tax positions	(0.6)	7.5	6.0
Increase related to current year tax positions	12.1	9.9	6.2
Lapse of statute of limitations	(1.6)	(1.4)	(1.5)
Settlement with taxing authorities	(0.4)	(2.1)	(3.1)
Ending gross balance	$ 82.4	$ 72.9	$ 59.0

The Company's total unrecognized tax benefits that, if recognized, would affect its effective tax rate were $68.5 million and $60.5 million at the end of fiscal 2017 and 2016 , respectively.

The Company and its subsidiaries are subject to U.S. federal, state, and foreign income taxes. The Company has substantially concluded all U.S. federal income tax audits for years through 2009. State income tax matters have been concluded for years through 2009 and non-U.S. income tax matters have been concluded for years through 2005. The Company is currently in various stages of multiple year examinations by federal, state, and foreign (multiple jurisdictions) taxing authorities. While the Company generally believes it is more likely than not that its tax positions will be sustained, it is reasonably possible that future obligations related to these matters could arise. The Company believes that its reserves are adequate to cover any potential assessments that may result from the examinations and negotiations.

In the first quarter of fiscal 2015, the Company received a Notice of Proposed Adjustment from the IRS for the fiscal years 2010 and 2011. The proposed adjustments primarily relate to the valuations of intercompany transfers of acquired intellectual property. The assessments of tax and penalties for the years in question total $67.0 million . In January 2018, the Company and IRS reached agreement to settle certain aspects of the assessments constituting $15.8 million of the total $67.0 million assessment. The Company’s reserves were adequate to cover the agreement. The Company does not agree with the IRS position on the remaining issues, intends to vigorously contest the IRS position, and believes that its reserves are adequate to cover any potential assessments.

Although timing of the resolution and/or closure of audits is not certain, the Company believes it is reasonably possible that its gross unrecognized tax benefits could decrease (whether by payment, release or a combination of both) in the next year by up to $6.2 million primarily related to the IRS partial settlement discussed above.

The Company’s practice is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company’s liability for unrecognized tax benefits including interest and penalties was recorded in Other non-current liabilities in the accompanying Consolidated Balance Sheets. At the end of fiscal 2017 and 2016 , the Company had accrued $12.7 million and $9.3 million , respectively, for payment of interest and penalties.

NOTE 12: ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss, net of related tax were as follows:

At the End of Fiscal Year	**2017**	**2016**
(In millions)		
Accumulated foreign currency translation adjustments	$ (127.6)	$ (216.8)
Net unrealized loss on short-term investments	(0.2)	—
Net unrealized actuarial losses	(3.4)	(3.1)
Total accumulated other comprehensive loss	$ (131.2)	$ (219.9)

NOTE 13: EMPLOYEE STOCK BENEFIT PLANS

Stock-Based Compensation Expense

The following table summarizes the components of stock-based compensation expense recognized in the Company’s Consolidated Statements of Income for the periods indicated:

Fiscal Years	2017	2016	2015
(In millions)			
Restricted stock units	$ 53.3	$ 35.9	$ 27.9
Stock options	5.7	10.9	16.6
ESPP	5.8	5.8	5.6
Total stock-based compensation expense	$ 64.8	$ 52.6	$ 50.1

Unrecognized Stock-Based Compensation

At the end of fiscal 2017, total unamortized stock-based compensation expense was $111.3 million , with a weighted-average recognition period of 2.6 years .

2002 Stock Plan

Trimble’s 2002 Stock Plan (“2002 Plan”), provides for the granting of incentive and non-statutory stock options and restricted stock units ("RSUs") for up to 74.6 million shares plus any shares currently reserved but unissued to employees, consultants, and directors of Trimble. Grants of RSUs reduce the plan reserves by a 1.69 multiplier. Both incentive and non-statutory stock options may be granted at exercise prices that are not less than 100% of the fair market value of Common Stock on the date of grant. Employee stock options under the 2002 plan generally vest over four years with annual or monthly vesting, and expire seven years from the date of grant. RSUs are converted into shares of Trimble common stock upon vesting on a one-for-one basis, except those with market-based or performance-based vesting conditions, in which case the number of shares may be greater. Time-based RSUs granted to employees generally vest over four years , and those granted to non-employee directors generally vest after one year . Market-based and performance-based RSUs granted to executive officers and other senior employees generally vest after two to three years. Additionally, RSUs granted to certain executive officers may vest earlier upon their retirement meeting age and service conditions. As of the end of fiscal 2017, the number of shares available for grant under the 2002 stock plan was 16.1 million .

Restricted Stock Units

The following table summarizes the Company’s RSU activity during fiscal 2017:

	Restricted Stock Units Outstanding	
	Restricted Stock Units	Weighted Average Grant-Date Fair Value
(In millions, except for per share data)		
Outstanding at the beginning of year	4.7	$ 26.40
Granted (1)	2.0	$ 40.19
Shares released, net	(1.4)	$ 28.06
Cancelled and Forfeited	(0.2)	$ 30.58
Outstanding at the end of year	5.1	$ 31.71

(1) During fiscal year 2017, the Company granted approximately 1.3 million time-based RSUs, 0.5 million performance-based RSUs and 0.2 million market-based RSUs. As of fiscal year end 2017, the Company has 1.7 million market-based and performance-based RSUs outstanding and none had vested as of fiscal 2017 year end.

The following table summarizes information about restricted stock units outstanding as of fiscal 2017:

	Number Of Shares Underlying Restricted Stock Units (in millions)	Weighted-Average Remaining Vesting Period (in years)	Aggregate Fair Value (in millions)
Expected to vest (1)	4.7	1.40	$ 192.9

(1) For those shares expected to vest upon the achievement of specified performance goals, the amount represents of estimated number of shares that expect to vest based on the estimated achievement of such specified performance goals as of the end of fiscal 2017.

The fair value of restricted stock units expected to vest as of fiscal 2017 is calculated based on the fair value of the Company's common stock as of the end of fiscal 2017.

Fair value of Time-Based Restricted Stock Units and Performance-Based Restricted Stock Units

Time-based RSUs are service-based awards and vest over time based on continued employment. Performance-based RSUs ("PSUs") vest upon the achievement of specified performance goals, as well as continued employment, and the expense recognized is based upon the expected achievement of such goals. The fair value of time-based RSUs and PSUs is measured on the grant date using the fair value of Trimble's common stock.

Fair Value of Market-Based Restricted Stock Units

RSUs with market-based vesting conditions vest based on the achievement of the Company's relative total stockholder return ("TSR") of its common stock as compared to the TSR of the constituents of the S&P 500 at the start of the performance period. The fair value of RSUs with market-based vesting conditions is measured on the grant date using a Monte Carlo simulation with the following weighted-average assumptions:

Fiscal Years	2017	2016	2015
Expected life of Market-Based Restricted Stock Units	3.0 years	3.1 years	2.6 years
Expected stock price volatility	31.46%	33.8%	30.9%
Risk free interest rate	1.46%	0.9%	0.9%
Expected dividend yield	—	—	—

The weighted average grant-date fair value per share of RSUs granted during fiscal years 2017, 2016, and 2015 was $40.19 , $26.13 , and $23.22 per share, respectively. The fair value of all RSUs vested during fiscal years 2017, 2016, and 2015 was $40.4 million , $33.6 million , and $16.3 million , respectively.

Stock options

The Company did not issue stock options during fiscal 2017. During fiscal 2016 and 2015, stock options issued by the Company were de minimis.

The following table summarizes information about stock options outstanding as of fiscal 2017 year end:

	Number Of Shares *(in millions)*	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term *(in years)*	Aggregate Intrinsic Value *(in millions)*
Outstanding at the beginning of year	7.6	$ 24.60		
Option exercised	(3.2)	22.52		
Cancelled and Forfeited	—	25.97		
Outstanding at the end of year	4.4	26.12	2.17	$ 63.8
Options exercisable	4.1	$ 26.07	2.04	$ 60.1

The total intrinsic value of options exercised during fiscal 2017, 2016 and 2015 was $41.1 million , $36.0 million , and $13.9 million , respectively.

Fair Value of Stock Options

The fair value of stock options is measured on the grant date using a binomial valuation model. The weighted average grant-date fair value per share of stock options granted during fiscal years 2016 and 2015 was $6.03 , and $7.36 , respectively. The fair value of all stock options vested during fiscal years 2017, 2016 and 2015 was $6.5 million , $14.6 million , and $18.3 million , respectively.

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan ("Purchase Plan") under which an aggregate of 39.0 million shares of Common Stock have been approved for issuance to eligible employees as approved by the stockholders to date. The plan permits eligible employees to purchase Common Stock through payroll deductions at 85% of the lower of the fair market value of the Common Stock at the beginning or at the end of each offering period, which is generally six months. Rights to purchase shares are granted during the first and third quarter of each fiscal year. The Purchase Plan terminates on March 15, 2027. In fiscal 2017, 2016, and 2015, 0.8 million , 1.1 million , and 1.0 million shares were issued, respectively, representing $20.4 million , $19.1 million , and $18.1 million in cash received for the issuance of stock under the Purchase Plan. At the end of fiscal 2017, the number of shares reserved for future purchases by eligible employees was 9.0 million .

Fair Value of Share Purchase Rights

The fair value of the share purchase rights granted under the Purchase Plan are valued using the Black-Scholes option pricing model with the following weighted-average assumptions:

Fiscal Years	2017	2016	2015
Expected life of purchase	0.5 years	0.5 years	0.5 years
Expected stock price volatility (1)	32.1%	36.9%	31.3%
Risk free interest rate	0.70%	0.41%	0.08%
Expected dividend yield	—	—	—

(1) Expected stock price volatility is based on implied volatilities from traded options on the Company's stock. The Company used implied volatility because it is representative of future stock price trends during the purchase period.

NOTE 14: COMMON STOCK REPURCHASE

In November 2014, the Company's Board of Directors approved a stock repurchase program ("2014 Stock Repurchase Program"), authorizing the Company to repurchase up to $300.0 million of Trimble's common stock. In August 2015, the Company's Board of Directors approved a stock repurchase program ("2015 Stock Repurchase Program"), authorizing the Company to repurchase up to $400.0 million of Trimble's common stock, replacing the 2014 Stock Repurchase Program. In September 2015, the Company entered into an accelerated share repurchase agreement, or ASR, with an investment bank for $75.0 million . In November 2017, the Company's Board of Directors approved a stock repurchase program ("2017 Stock Repurchase Program"), authorizing the Company to repurchase up to $600.0 million of Trimble's common stock. The share repurchase authorization does not have an expiration date and replaces the 2015 Stock Repurchase Program, which was completed.

Under the share repurchase program, the Company may repurchase shares from time to time in open market transactions, privately negotiated transactions, accelerated share buyback programs, tender offers, or by other means. The timing and amount of repurchase transactions will be determined by the Company's management based on its evaluation of market conditions, share price, legal requirements and other factors. The program may be suspended, modified or discontinued at any time without prior notice. At the end of fiscal 2017 , the 2017 Stock Repurchase Program had remaining authorized funds of $442.2 million .

During fiscal 2017 , the Company repurchased approximately 7.4 million shares of common stock in open market purchases, at an average price of $39.18 per share, for a total of $288.3 million under the 2017 and 2015 Stock Repurchase Programs.

During fiscal 2016 , the Company repurchased approximately 4.9 million shares of common stock in open market purchases, at an average price of $24.39 per share, for a total of $119.5 million under the 2015 Stock Repurchase Program.

During fiscal 2015 , the Company repurchased approximately 7.5 million shares of common stock in open market purchases, at an average price of $21.29 per share, for a total of $159.4 million . This total includes $75.1 million and $84.3 million of open market purchases completed under the 2015 and 2014 Stock Repurchase Programs, respectively. The ASR was completed in December 2015 and resulted in the aggregate repurchase of approximately 3.7 million shares of common stock with a volume weighted average price of $20.11 per share.

Stock repurchases are reflected as a decrease to common stock based on par value and additional-paid-capital based on the average book value per share for all outstanding shares calculated at the time of each individual repurchase transaction. The excess of the purchase price over this average for each repurchase was charged to retained earnings. As a result of the 2017 repurchases, retained earnings was reduced by $246.0 million in fiscal 2017 . Common stock repurchases under the program were recorded based upon the trade date for accounting purposes.

NOTE 15: STATEMENT OF CASH FLOW DATA

Fiscal Years	2017	2016	2015
(In millions)			
Supplemental disclosure of cash flow information:			
Interest paid	$ 28.4	$ 27.3	$ 26.5
Income taxes paid	$ 46.6	$ 57.4	$ 54.0

NOTE 16: SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Trimble has a 52-53 week fiscal year, ending on the Friday nearest to December 31. Both fiscal 2017 and 2016 were a 52-week year.

Fiscal Period	First Quarter 2017	Second Quarter 2017	Third Quarter 2017	Fourth Quarter 2017
(in millions, except per share data)				
Revenue	$ 613.9	$ 661.9	$ 670.0	$ 708.4
Gross margin	326.6	346.5	349.5	370.0
Net income (loss) attributable to Trimble Inc.	50.5	49.9	55.7	(35.0)
Basic net income (loss) per share	0.20	0.20	0.22	(0.14)
Diluted net income (loss) per share	0.20	0.19	0.22	(0.14)

Fiscal Period	First Quarter 2016	Second Quarter 2016	Third Quarter 2016	Fourth Quarter 2016
(in millions, except per share data)				
Revenue	$ 583.0	$ 609.6	$ 584.1	$ 585.5
Gross margin	300.6	315.6	309.0	312.8
Net income attributable to Trimble Inc.	19.8	35.7	39.2	37.7
Basic net income per share	0.08	0.14	0.16	0.15
Diluted net income per share	0.08	0.14	0.15	0.15

NOTE 17: SUBSEQUENT EVENTS

On February 2, 2018, the Company entered into a Stock Purchase Agreement (the “Purchase Agreement”) with e-Builder, Inc., a Florida corporation (“e-Builder”), and the stockholders of e-Builder identified therein. Upon the terms and subject to conditions set forth in the Purchase Agreement, Trimble acquired all of the issued and outstanding shares of common stock of e-Builder for a total purchase price of $500.0 million , subject to certain adjustments described in the Purchase Agreement. The Purchase Agreement contains representations, warranties and covenants by the parties that are customary for a transaction of this nature. The acquisition closed on February 2, 2018 and e-Builder is now a wholly-owned subsidiary of Trimble.

e-Builder is a SaaS-based construction program management solution for capital program owners and program management firms. e-Builder extends the Company’s ability to accelerate industry transformation by providing an integrated project delivery solution for owners, program managers and contractors across the design, construct and operate lifecycle. The e-Builder business will be reported as part of the Buildings and Infrastructure segment.

On February 2, 2018, the Company entered into a $300.0 million Revolving Credit Agreement, by and between the Company and The Bank of Nova Scotia. The Credit Agreement provides for an unsecured revolving loan facility in the aggregate principal amount of $300.0 million . As of February 2, 2018, after giving effect to the borrowings made on the closing date, the Company had outstanding $300.0 million aggregate principal amount of revolving loans under this credit facility.

The Company may borrow, repay and reborrow funds under the 2018 Interim Credit Facility until its maturity on January 31, 2019. Borrowings under the 2018 Interim Credit Facility will bear interest, at the Company's option, at either: (i) a floating per annum base rate determined by reference to the highest of: (a) The Bank of Nova Scotia’s prime rate; (b) 0.50% per annum above the federal funds effective rate; and (c) LIBOR for an interest period of one month ; plus a margin equal to 0.125% , (ii) a fixed per annum rate based on LIBOR plus a margin of 1.125% or (iii) an interest rate agreed between us and The Bank of Nova Scotia. The 2018 Interim Credit Facility contains various customary representations and warranties and affirmative and negative covenants that are substantially the same as those contained in the 2014 Credit Facility.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Trimble Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Trimble Inc. (the Company) as of December 29, 2017 and December 30, 2016, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 29, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 29, 2017 and December 30, 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 29, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 29, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1986.

San Jose, California
February 26, 2018

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Trimble Inc.

Opinion on Internal Control over Financial Reporting

We have audited Trimble Inc.'s internal control over financial reporting as of December 29, 2017, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Trimble Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 29, 2017, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of all current year acquisitions, which are included in the 2017 consolidated financial statements of the Company and constituted approximately 2% and 1% of total assets and net assets, respectively, as of December 29, 2017, and approximately 2% and (6%) of revenues and net income, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of all current year acquisitions.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 29, 2017 and December 30, 2016, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 29, 2017, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 26, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California
February 26, 2018

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective.

Inherent Limitations on Effectiveness of Controls

The Company's management, including the CEO and CFO, does not expect that our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(b) Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's management, including the CEO and CFO, conducted an evaluation of the effectiveness of its internal control over financial reporting based on the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). The Company has excluded from its evaluation the internal control over financial reporting of all current year acquisitions, which are included in the December 29, 2017 consolidated financial statements and constituted approximately 2% and 1% of total assets and net assets, respectively, as of December 29, 2017 , and approximately 2% and (6%) of revenue and net income, respectively, for the year then ended. Based on the results of this evaluation, the Company's management concluded that its internal control over financial reporting was effective at the end of fiscal 2017 .

The effectiveness of our internal control over financial reporting at the end of fiscal 2017 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included elsewhere herein.

Changes in Internal Control over Financial Reporting

During the fourth quarter of fiscal 2017 , there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item, insofar as it relates to Trimble's directors, will be contained under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement and is incorporated herein by reference. The information required by this item relating to executive officers is set forth above in Item 1 Business Overview under the caption "Executive Officers."

The information required by this item insofar as it relates to the nominating and audit committees will be contained in the Proxy Statement under the caption "Board Meetings and Committees; Director Independence."

Code of Ethics

The Company's Business Ethics and Conduct Policy applies to, among others, the Company's Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and other finance organization employees. The Business Ethics and Conduct Policy is available on the Company's website at www.trimble.com under the heading "Corporate Governance - Governance Documents" on the Investor Relations page of our website. A copy will be provided, without charge, to any stockholder who requests one by written request addressed to General Counsel, Trimble Inc., 935 Stewart Drive, Sunnyvale, CA 94085.

If any substantive amendments to the Business Ethics and Conduct Policy are made or any waivers are granted, including any implicit waiver, from a provision of the Business Ethics and Conduct Policy, to its Chief Executive Officer, Chief Financial Officer, Vice President of Finance, or Corporate Controller, the Company will disclose the nature of such amendment or waiver on the Company's website at www.trimble.com or in a report on Form 8-K.

Item 11. Executive Compensation

The information required by this item will be contained in the Proxy Statement under the captions "Executive Compensation" and "Non-Employee Director Compensation" and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be contained in the Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be contained in the Proxy Statement under the caption "Certain Relationships and Related Person Transactions" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required by this item will be contained in the Proxy Statement under the caption "Principal Accounting Fees and Services" and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) (1) Financial Statements

The following consolidated financial statements required by this item are included in Part II Item 8 hereof under the caption "Financial Statements and Supplementary Data."

(1) **Financial Statement Schedules**

The following financial statement schedule is filed as part of this report:

All other schedules have been omitted as they are either not required or not applicable, or the required information is included in the consolidated financial statements or the notes thereto.

(b) Exhibits

We have filed, or incorporated into the Report by reference, the exhibits listed on the accompanying Index to Exhibits immediately following the signature page of this Form 10-K.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

TRIMBLE INC.

By: /S/ STEVEN W. BERGLUND

Steven W. Berglund,
President and Chief Executive Officer

February 26, 2018

POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Steven W. Berglund as his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Capacity in which Signed	
/s/ STEVEN W. BERGLUND **Steven W. Berglund**	President, Chief Executive Officer, Director	February 26, 2018
/s/ ROBERT G. PAINTER **Robert G. Painter**	Chief Financial Officer (Principal Financial Officer)	February 26, 2018
/s/ JULIE A. SHEPARD **Julie A. Shepard**	Chief Accounting Officer (Principal Accounting Officer)	February 26, 2018
/s/ MERIT E. JANOW **Merit E. Janow**	Director	February 26, 2018
/s/ MEAGHAN LLOYD **Meaghan Lloyd**	Director	February 26, 2018
/s/ ULF J. JOHANSSON **Ulf J. Johansson**	Director	February 26, 2018
/s/ RON S. NERSESIAN **Ron S. Nersesian**	Director	February 26, 2018
/s/ MARK S. PEEK **Mark S. Peek**	Director	February 26, 2018
/s/ NICKOLAS W. VANDE STEEG **Nickolas W. Vande Steeg**	Director	February 26, 2018
/s/ KAIGHAM (KEN) GABRIEL **Kaigham (Ken) Gabriel**	Director	February 26, 2018
/ / **Johan Wibergh**	Director	

INDEX TO EXHIBITS

Exhibit Number	
2.1	Agreement and Plan of Merger, dated September 30, 2016, between Trimble Inc. and Trimble Navigation Limited (Incorporated by reference to exhibit number 2.1 to the Company's Current Report on Form 8-K, filed on October 3, 2016)
3.1	Certificate of Incorporation of Trimble Inc. (Incorporated by reference to exhibit number 3.1 to the Company's Current Report on Form 8-K, filed on October 3, 2016)
3.2	By-Laws of Trimble Inc. (Incorporated by reference to exhibit number 3.2 to the Company's Current Report on Form 8-K, filed on October 3, 2016)
4.1	Form of Common Stock Certificate of Trimble Inc. (Incorporated by reference to exhibit number 4.1 to the Company's Current Report on Form 8-K, filed on October 3, 2016)
4.2	Indenture, dated as of October 30, 2014, between the Company and U.S. Bank National Association (Incorporated by reference to exhibit number 4.2 to the Company's Registration Statement on Form S-3, filed October 30, 2014)
4.3	First Supplemental Indenture, dated November 24, 2014, between the Company and U.S. Bank National Association (which includes Form of 4.750% Senior Note due 2024) (Incorporated by reference to exhibit number 4.1 to the Company's Current Report on Form 8-K, filed November 24, 2014)
4.4	Second Supplemental Indenture, dated October 1, 2016, between Trimble Inc., Trimble Navigation Limited and U.S. Bank National Association (Incorporated by reference to exhibit number 4.2 to the Company's Current Report on Form 8-K, filed October 3, 2016)
10.1+	Employment Agreement between the Company and Steven W. Berglund dated March 17, 1999 (Incorporated by reference to exhibit number 10.67 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1999)
10.2+	Amendment to Employment Agreement between the Company and Steven W. Berglund dated December 19, 2008 (Incorporated by reference to exhibit number 10.14 to the Company's Annual Report on Form 10-K for the year ended January 2, 2009)
10.3+	Form of Indemnification Agreement between the Company and its officers and directors (Incorporated by reference to exhibit number 10.1 to the Company's Current Report on Form 8-K filed on November 15, 2017)
10.4+	Form of Change in Control Severance Agreement between the Company and certain Company officers, together with a schedule identifying material differences in the agreements entered into with specific officers. (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)
10.5+	Form of Executive Severance Agreement between the Company and certain Company officers, together with a schedule identifying material differences in the agreements entered into with specific officers. (Incorporated by reference to exhibit number 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)
10.6+	Annual Management Incentive Plan Description (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10_Q for the quarter ended March 31, 2017)
10.7+	Incentive Compensation Recoupment Policy (Incorporated by reference to exhibit number 99.1 to the Company's current report on Form 8-K filed, filed May 8, 2017)
10.8+	Letter of assignment between the Company and Christopher Gibson dated June 11, 2008 (Incorporated by reference to exhibit number 10.24 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010)

10.9+	Amendment to the letter of assignment between the Company and Christopher Gibson dated December 20, 2009 (Incorporated by reference to exhibit number 10.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010)
10.10+	Board of Directors Compensation Policy (effective as of May 7, 2015) (Incorporated by reference to exhibit number 10.1 to the Company's Current Report on Form 8-K filed on May 11, 2015)
10.11+	Deferred Compensation Plan effective December 30, 2004, as amended and restated (Incorporated by reference to exhibit number 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2015)
10.12	Lease dated May 11, 2005 between Carr America Realty Operating Partnership, L.P. and the Company (Incorporated by reference to exhibit number 10.17 to the Company's Annual Report on Form 10-K for the year ended December 30, 2005)
10.13	First Amendment to Lease between Carr NP Properties, LLC and the Company (Incorporated by reference to exhibit number 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010)
10.14	Second Amendment, dated May 3, 2017, to Lease between the Company and Wilson Oakmead West, LLC (successor in interest to Carr NP Properties, LLC) (Incorporated by reference to exhibit number 10.6 to the company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)
10.15**	Master Manufacturing Services Agreement by and between the Company and Flextronics Corporation (formerly Solectron Corporation) dated March 12, 2004, as amended January 19, 2005, October 25, 2005 and June 20, 2007 (Incorporated by reference to exhibit number 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 3, 2009)
10.16**	Consigned Excess Inventory Addendum to the Master Manufacturing Services Agreement by and between the Company and Flextronics Corporation (formerly Solectron Corporation) dated July 6, 2009 (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2009)
10.17	Five-Year Credit Agreement, dated as of November 24, 2014, among the Company, the subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to exhibit number 10.1 to the Company's Current Report on Form 8-K, filed November 24, 2014)
10.18	First Amendment dated February 26, 2016 to the Five-Year Credit Agreement dated November 24, 2014 among the Company, the subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 1, 2016)
10.19	Second Amendment dated as of August 9, 2016 to the Five-Year Credit Agreement dated November 24, 2014 among the Company, the subsidiary borrowers from time to time party thereto, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016)
10.20+	Retirement Benefit Agreement dated October 6, 2017 between the Company and James Veneziano (filed herewith)
10.21	$300,000,000 Revolving Credit Agreement dated as of February 2, 2018 between Trimble Inc. and The Bank of Nova Scotia. (Incorporated by reference to exhibit number 10.1 to the Company's Current Report on Form 8-K, filed February 2, 2018)
10.22+	Amended and Restated 2002 Stock Plan (Incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Form DEF 14A filed on March 23, 2017)
10.23+	Amended and Restated Employee Stock Purchase Plan (Incorporated by reference to Appendix B of the Company's Definitive Proxy Statement on Form DEF 14A on March 23, 2017)
10.24	Form of officer stock option agreement under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 2014)

10.25 Form of U.S. director stock option agreement under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 2014)

10.26 Form of non-U.S. director stock option agreement under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 3, 2014)

10.27 Form of global stock option agreement (officers) under the Company's Amended and Restated 2002 Stock Plan. (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2015)

10.28 Form of global restricted stock unit award agreement under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2015)

10.29 Form of global subscription agreement under the Company's Amended and Restated Employee Stock Purchase Plan (Incorporated by reference to exhibit number 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2015)

10.30 Form of global performance restricted stock unit award agreement under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 2, 2015)

10.31 Form of global restricted stock unit award agreement (officers) under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.30 to the Company's Annual Report on Form 10-K for the year ended January 1, 2016)

10.32+ Offer letter between the Company and Robert G. Painter dated January 29, 2016 (Incorporated by reference to exhibit number 10.1 to the Company's Current Report on Form 8-K, filed February 2, 2016)

10.33+ Settlement Agreement and Release by and between Francois Delepine and the Company dated as of March 14, 2016 (Incorporated by reference to exhibit number 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 1, 2016)

10.34+ Letter agreement for consulting services by and between Francois Delepine and the Company dated as of March 14, 2016 (Incorporated by reference to exhibit number 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended April 1, 2016)

10.35 Form of Global Performance Stock Unit Award Agreement (Total Shareholder Return) under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2016)

10.36 Form of Global Performance Stock Unit Award Agreement (Operating Income/Revenue) under the Company's Amended and Restated 2002 Stock Plan (Incorporated by reference to exhibit number 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2016)

10.37 Age and Service Equity Vesting Program (Incorporated by reference to exhibit number 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)

10.38 Form of Global Performance Stock Unit Award Agreement (Operating Income/Revenue). (Incorporated by reference to exhibit number 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)

10.39 Form of Global Performance Stock Unit Award Agreement (Total Stockholder Return). (Incorporated by reference to exhibit number 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)

10.40 Stock Purchase Agreement dated as of February 2, 2018 by and among Trimble Inc., e-Builder, Inc. and the stockholders of e-Builder named therein. (Incorporated by reference to exhibit number 2.1 to the Company's Current Report on Form 8-K, filed February 2, 2018)

21.1 Subsidiaries of the Company (filed herewith)

23.1 Consent of Independent Registered Public Accounting Firm (filed herewith)

24.1 Power of Attorney (included on signature page herein)

31.1 Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)

31.2 Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)

32.1 Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

32.2 Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

101.INS ++ XBRL Instance Document

101.SCH ++ XBRL Taxonomy Extension Schema Document

101.CAL ++ XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF ++ XBRL Taxonomy Extension Definition Linkbase Document

101.LAB ++ XBRL Taxonomy Extension Label Linkbase Document

101.PRE ++ XBRL Taxonomy Extension Presentation Linkbase Document

Users of this data are advised that, pursuant to Rule 406T, these interactive data files are deemed not filed and otherwise are not subject to liability.

+ Indicates management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K.

++ Pursuant to applicable securities laws and regulations, the Company is deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and is not subject to liability under any anti-fraud provisions of the federal securities laws as long as the Company has made a good faith attempt to comply with the submission requirements and promptly amends the interactive data files after becoming aware that the interactive data files fails to comply with the submission requirements.

** Portions of this document have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment under Rule 24b-2.

SCHEDULE II

TRIMBLE INC.
VALUATION AND QUALIFYING ACCOUNTS
(in millions)

Fiscal Years	**2017**	**2016**	**2015**
Allowance for doubtful accounts:			
Balance at beginning of period	$ 5.0	$ 5.0	$ 7.8
Acquired allowance	0.3	0.3	0.6
Bad debt expense	1.2	3.0	1.9
Write-offs, net of recoveries	(2.9)	(3.3)	(5.3)
Balance at end of period	$ 3.6	$ 5.0	$ 5.0

RETIREMENT BENEFIT AGREEMENT

This Retirement Benefit Agreement (this "Agreement"), effective on the date of the last signature hereto, is entered into by and between Trimble Inc., a Delaware Corporation (the "Company"), and James Veneziano (the "Employee").

WHEREAS, the Employee has been employed by the Company since 1990 and has served as Senior Vice President of the Company since 2009;

WHEREAS, the Employee and the Company are parties to an Indemnification Agreement dated October 3, 2017 (the "Indemnification Agreement");

WHEREAS, the Employee's employment with the Company will terminate effective as of the close of business on December 22, 2017 (the "Retirement Date"), and the Company wishes to document the agreement between the parties with respect to the Employee's additional retirement benefits; and

WHEREAS, the Employee and the Company want to fully and finally settle all issues, differences, and claims, whether potential or actual, between the Employee and the Company, that might arise out of Employee's employment with the Company.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, including the Settlement Agreement and Release of All Claims attached hereto as Exhibit A (the "Release"), the Employee and the Company agree as follows:

1. Provided the Employee has executed and delivered the Release on or before the Release Deadline (as defined in Section 8 below) and such Release has become effective and irrevocable, the Employee shall be entitled to receive the following payments and benefits:

    (a) each outstanding stock option held by the Employee that has been granted under any of the Company's stock option or incentive plans shall become immediately vested and exercisable, and shall continue to be exercisable following the Employee's Retirement during the period set forth in the applicable agreement evidencing the option grant;

    (b) the full vesting of all outstanding restricted stock units granted prior to January 31, 2017 under any of the Company's incentive plans and held by the Employee immediately prior to the Retirement Date (the "RSUs");

    (c) the pro rata vesting of any outstanding performance-based restricted stock units granted prior to January 31, 2017 under any of the Company's incentive plans and held by the Employee immediately prior to the Retirement Date ("PRSUs") equal to the number of PRSUs that become eligible to vest based on actual attainment of the performance goals, multiplied by a fraction, the numerator of which is the number of calendar days that have elapsed between the commencement of the performance period applicable to the PRSUs and the Retirement Date, and the denominator of which is the total number of calendar days contained in the corresponding performance period; the PRSUs that vest pursuant to this Section 1(c) shall be settled within 65 days of the last day of the applicable performance period; and

    (d) a lump sum cash payment equal to the annual bonus payable to the Employee pursuant to the Company's Management Incentive Plan that is determined to be payable for the fiscal year in which the Retirement Date occurs, multiplied by a fraction, the numerator of which is the number of calendar days that have elapsed between the commencement of the performance period applicable to such bonus and the Retirement Date, and the denominator of which is the total number of calendar days contained in the performance period, which shall be payable within 65 days of the last day of the applicable performance period.

2. Non-Competition & Non-Solicitation:

   (a) Warranties: Employee warrants and agrees that during his employment in a position of trust with the Company and as a member of the Company's Executive Committee, he has had extensive involvement with and knowledge of the Company's Proprietary Information and that he would not be able to work for a competitor of the Company without using such proprietary information.

   (b) Non-Compete: Employee agrees that he will not engage, directly or indirectly, either as a proprietor, stockholder, partner, officer, employee, or otherwise, in the same or similar activities as he performed for the Company, on behalf of any person who directly competes with the Company, from the Retirement Date through the third (3rd) anniversary of the Retirement Date.

   (c) Non-Solicitation of Customers: The Employee agrees that he will not, directly or indirectly, solicit, agree to sell or sell any of the types of products sold by the Company, to any person who purchased products from the Company, or who received the benefits of products sold by the Company, or with whom the Employee or the Employee's reports had substantial dealings with during the Employee's employment with Company, from the Retirement Date through the third (3rd) anniversary of the RetirementDate.

   (d) Non-Solicitation of Employees: The Employee agrees that the Employee shall not solicit, attempt to solicit away, or assist any person in soliciting any current employee of the Company. This includes, but is not limited to, identifying to a successor employer or other person the Company's employees who have special knowledge concerning the Company's proprietary information or communicating what specialized information the Company's employees have, from the Retirement Date through the third (3rd) anniversary of the Retirement Date.

   (e) Notification of New Employer. The Employee agrees that if he becomes employed by a new employer, the Employee will provide the Company with the new employer's contact information, and the Company may notify the new employer of the Employee's rights and obligations under Section 2 of this Agreement.

3. Section 409A. Notwithstanding anything to the contrary in this Agreement, if the Employee is a "specified employee" (as defined and applied in Section 409A) as of the Retirement Date, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions under Section 409A) and to the extent required by Section 409A, the Employee shall instead receive such payments (including settlement of equity awards) on the earlier of (a) the first day following the six-month anniversary of the Retirement Date, or (b) the Employee's date of death, to the extent such delay is otherwise required in order to avoid a prohibited distribution under Section 409A. For purposes of Section 409A, each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment." Further, to the extent the payments contemplated under Section 7 constitute deferred compensation and the 30-day payment period described in Section 7 spans two calendar years, then the payments contemplated thereunder shall be paid in the second calendar year. In addition, for purposes of

Section 409A, payments shall be deemed exempt from Section 409A to the full extent possible under the "short-term deferral" exemption of Treasury Regulation § 1.409A- 1(b)(4) and (with respect to amounts paid no later than the second calendar year following the calendar year containing the Retirement Date) the "two-years/two-times" separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which are hereby incorporated by reference. Notwithstanding anything to the contrary in this Agreement, the Company may amend the Agreement, or take any other actions, as deemed necessary or appropriate to (a) exempt any payment or benefit under the Agreement from Section 409A and/or preserve the intended tax treatment of the payments or benefits under the Agreement, or (b) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under such Section, but the Company shall not be under any obligation to make any such amendment. Nothing in this Agreement shall provide a basis for any person to take action against the Company based on matters covered by Section 409A, including the tax treatment of any payment or benefit under the Agreement, and the Company shall not under any circumstances have any liability to the Employee, his estate or any other party for any taxes, penalties or interest due on any payment or benefit under this Agreement, including taxes, penalties or interest imposed under Section 409A.

4. Injunctive Relief; Cumulative Remedies: The Employee hereby acknowledges and agrees that monetary damages would be an inadequate remedy for any breach or threatened breach of Section 2 of this Agreement and that, in the event of any such breach or threatened breach of Section 2, injunctive relief will be necessary to prevent irreparable injury to the Company. Accordingly, the Employee hereby agrees that, in addition to any other relief to which the Company may be entitled, any court having jurisdiction may enter appropriate injunctive or other equitable relief to prevent a breach or threatened breach of Section 2. The Employee further agrees that this Section 4 shall not be interpreted to limit the remedies for any breach or threatened breach of this Agreement and that all remedies available under law or in equity shall be available to the Company.

5. The Indemnification Agreement. The parties acknowledge and agree that even though the Employee's employment with the Company will terminate on the Retirement Date, the Company continues to be bound by and subject to the terms and conditions of the Indemnification Agreement.

6. Severability. If any part of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, as to any material aspect, then such part shall be deemed deleted from the Agreement or amended, as the case may be, in order to render the remainder of the Agreement valid and enforceable.

7. Notice. For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or five (5) days after deposit in the United States Mail, certified and return receipt requested, postage prepaid, addressed as follows:

If to the Employee:
James Veneziano
755 6th Street
Boulder, CO 80302

If to the Company:
Trimble Inc.
935 Stewart Drive
Sunnyvale, California 94085
Attention: General Counsel

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt. Alternatively, notice may be deemed to have been delivered when sent by facsimile or email to a location provided by the other party hereto.

8. Release. Unless the following requirement is waived by the Compensation Committee of the Board of Directors of the Company in its sole discretion, the payments and benefits payable under Section 1 shall not apply unless the Employee delivers (and does not revoke) an executed and effective release acceptable to the Company (substantially in the form attached hereto as Exhibit A) releasing the Company, its subsidiaries, stockholders, partners, officers, directors, employees and agents from any and all claims and from any and all causes of action of any kind, including but not limited to all claims or causes of action arising out of the Employee's employment with the Company or the termination of such employment (the "Release Agreement"). The Employee shall execute and return the Release Agreement within the time period provided for by the Company, but in no event later than 30 days following the Retirement Date (the "Release Deadline"). If the Release Agreement has not been returned on or before the Release Deadline, the Employee shall not be entitled to any benefits and payments pursuant to Section 1 of this Agreement.

9. Amendment; Modification. This Agreement may not be amended, modified, supplemented or otherwise altered, expect by a writing signed by the parties hereto.

10. Waiver. Any failure or delay on the part of the Company in exercising its rights under this Agreement shall not operate as a waiver of such rights, nor shall a single or partial exercise preclude any further exercise of any right, power or privilege by the Company.

11. Assignment. The Employee may not assign or transfer the Employee's rights or obligations under this Agreement without the prior written consent of Company. Notwithstanding the foregoing, this Agreement shall inure to the benefit of and be binding upon the Employee and Company and their respective legal representatives, successors and assigns.

12. Governing Law. This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of Colorado. The parties further consent to the jurisdiction of the state and federal courts in the State of Colorado for any dispute arising out of this Agreement.

13. Attorneys' Fees: In any dispute arising out of this Agreement, the prevailing party shall be entitled to recover his or its reasonable costs and attorneys' fees.

14. Entire Agreement; Counterparts. This Agreement contains all of the understanding between the parties hereto pertaining to the subject matter hereof and supersedes all undertakings, promises and agreements, whether oral or in writing, previously entered into between them with respect to the subject matter herein. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. The effectiveness of any such documents and signatures shall have the same force and effect as manually signed originals and shall be binding on the parties to the same extent as a manually signed original thereof.

[The Remainder of this Page Left Intentionally Blank]

IN WITNESS WHEREOF, the undersigned, having read and understood this Agreement, hereby agree to its terms and conditions.

Oct 6, 2017

James Veneziano

Oct 6, 2017

Steven W. Berglund
President & CEO
TRIMBLE INC.

EXHIBIT A

EMPLOYMENT SEPARATION AGREEMENT AND RELEASE OF ALL CLAIMS

This Employment Separation Agreement and Release of All Claims (hereinafter "***Release Agreement***") is entered into by and between James Veneziano (hereinafter "***Employee***") and Trimble Inc., a Delaware corporation (hereinafter the "***Company***"). In consideration of the covenants set forth below and other good and valuable consideration, the receipt of which is hereby acknowledged, and to ensure that there are no outstanding issues between Employee and the Company following Employee's retirement from the Company, the parties agree to settle the disputes between them as follows:

1. The parties stipulate that:

   a. Employee was employed by the Company or with one of its subsidiaries (collectively, also the "Company") in a senior executive position.

   b. Employee and the Company are parties to an Indemnification Agreement dated October 3, 2017 (the "Indemnification Agreement").

   c. In connection with Employee's retirement from the Company, Employee and the Company entered into a Retirement Benefit Agreement dated as of [ ] (the "Retirement Benefit Agreement"). Under the terms of the Retirement Benefit Agreement, Employee's employment with the Company terminated effective as of the Retirement Date (as that term is defined in the Retirement Benefit Agreement).

   d. Among other things, the Retirement Benefit Agreement provides that as a condition of Employee's receipt of certain payments and benefits specified in the Retirement Benefit Agreement, Employee must execute and deliver to the Company a release of any and all claims that Employee may have against the Company. That is the reason the parties are entering into this Release Agreement.

   e. Employee has not filed, and has not assisted any third party in filing, any action (including but not limited to civil and administrative claims and actions) against the Company, or any of its past or present officers, directors, employees, stockholders, agents, predecessors, successors, representatives, suppliers, or affiliated companies (hereinafter referred to collectively as "the ***Releasees***").

   f. Employee represents and agrees that Employee has been paid all compensation earned and due to Employee as of Employee's last day of work including, but not limited to, all accrued but unused vacation/PTO.

   g. Employee and the Company each desire to compromise, settle, discharge and release in full any and all rights, claims and actions whatsoever that Employee has or may have against the Releasees arising out of Employee's employment by the Company and/or the termination of Employee's employment, through action of law, statute, or contract, up to and including the Effective Date of this Release Agreement.

2. Upon Employee's execution of this Release Agreement, Employee shall deliver an original signed copy of the Release Agreement to the Company, along with any and all property owned by the Company that is within Employee's possession, including, but not limited to, computers, technical resources, programs, computer files and paperwork. Employee also agrees that Employee will provide any and all

lists of passwords and access information to the Company, including copies, and that he or she will retain none of the same.

3. a. Provided that Employee has completed the actions required in Section 2 of this Release Agreement, but not before the expiration of Employee's seven-day revocation period, Employee shall be entitled to the payments and benefits provided to Employee under the Retirement Benefit Agreement at the time or times set forth in the Retirement Benefit Agreement.

b. The consideration provided in this Section 3 to Employee is given in accordance with the following understanding and agreement of the parties:

(i) The parties agree that the consideration paid to Employee under this Section 3 shall constitute full and complete settlement of all claims of whatever kind that have been or could be made by Employee against any of the Releasees, without regard to whether such claims are based on an alleged breach of an obligation or duty arising from contract, tort, or statute.

(ii) Employee acknowledges and agrees that the Releasees have made no representations to Employee regarding the tax consequences of any consideration received by Employee pursuant to this Release Agreement. Employee agrees to pay federal and state taxes, if any, that are required by law to be paid by Employee with respect to this Release Agreement. Employee further agrees to indemnify, defend and hold the Releasees harmless from any claims, demands, judgments or recoveries by any governmental entity against the Releasees for any amounts claimed due on account of this Release Agreement based on or because of actions or omissions by Employee or pursuant to claims made under any federal or state tax laws based on or because of actions or omissions by Employee, and any costs, expenses or damages sustained by the Releasees by reason of any such claims, including any amounts paid by the Releasees as taxes, attorneys' fees, deficiencies, levies, assessments, fines, penalties, interest or otherwise.

(iii) Employee agrees that the consideration delivered under this Section 3 shall constitute the entire amount of consideration provided to Employee under this Release Agreement and that Employee will not seek any further compensation for any other claimed damage, cost or attorneys' fees in connection with the matters encompassed by this Release Agreement. This consideration paid by the Company is solely consideration for this Release Agreement to which Employee is not otherwise entitled.

4. In consideration for the Company's promise to deliver the consideration described above and in the Retirement Benefit Agreement, Employee agrees to and hereby does irrevocably waive and release the Releasees from any and all claims, charges, demands, obligations, damages, liabilities or causes of action of any kind whatsoever (hereinafter "claims"), whether known or unknown, suspected or unsuspected, that Employee has or may have against them by reason of any act, omission, transaction or event occurring up to and including the date Employee executes this Release Agreement, including, without limitation, any act, omission, transaction or event related to or arising out of Employee's employment with the Company or termination of that employment, without regard to whether such claims are based on alleged breach of an obligation or duty arising in contract or tort, any alleged unlawful act (under local ordinances, or other state or federal statutes), or any other claim regardless of the forum in which it might be brought. It is expressly understood and agreed by Employee that this waiver and release includes, but is not limited to, any and all rights or claims that arise under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Worker Adjustment and Retraining Act, or any state or local laws including but not limited to the Colorado Anti-Discrimination Act, the Colorado Wage Claim Act; as well as any

and all claims arising under the Employee Retirement Income Security Act of 1974, up to the Effective Date of this Release Agreement but not thereafter. Employee also agrees to waive any right to bring, maintain, or participate in a class action, collective action, or representative action against the Releasees to the fullest extent permitted by law. The Employee agrees that except as may be permitted under applicable law, he may not serve as a representative of a class action, collective action, or representative action, may not participate as a member of a class action, collective action, or representative action, and may not recover any relief from a class action, collective action, or representative action. Employee further agrees that if he is included within a class action, collective action, or representative action, he will take all steps necessary to opt-out of the action or refrain from opting in, as the case may be. Nothing in this Release Agreement shall be construed to prohibit Employee from filing a charge or complaint, including a challenge to the validity of this Release Agreement, with the Equal Employment Opportunity Commission or comparable state or local authority.

5. Employee understands and agrees that Employee's release of claims described in this Release Agreement includes (but is not limited to) a waiver of Employee's rights and claims arising under the Age Discrimination in Employment Act of 1967 (ADEA). Employee understands and agrees that Employee has the right not to execute this Agreement without first having considered it for a full twenty-one (21) days from receipt of this Release Agreement. Employee agrees that Employee may sign this Release Agreement without waiting the full twenty-one (21) days and that, if Employee has done so, Employee's decision to do so has been knowing and voluntary, and not induced through fraud, misrepresentation, a threat to withdraw or alter the offer prior to the expiration of the twenty-one (21) day period, or the provision of different terms to employees who sign any release prior to the expiration of the twenty-one (21) day period. Employee did not execute this Release Agreement without first being advised in writing to consult an attorney of Employee's choice. Employee further understands and agrees that Employee:

a. Has had the full aforementioned twenty-one (21) day period within which to consider this Release Agreement before executing it and, if Employee has waived the full period, the waiver has been knowing and voluntary as described above;

b. Has carefully read and fully understands all of the provisions of this Release Agreement;

c. Has at all times during the course of negotiation and execution of this Release Agreement been advised by an attorney or has had adequate opportunity to consult counsel of Employee's choice concerning the terms of this Release Agreement. Employee was advised and is hereby advised in writing to consult with counsel of Employee's choice prior to entering into this Release Agreement;

d. Is, through this Release Agreement, releasing the Releasees from any and all claims that Employee has or may have against them;

e. Knowingly and voluntarily agrees to all of the terms set forth in this Release Agreement;

f. Knowingly and voluntarily intends to be legally bound by the same;

g. Has had a full seven (7) days following the execution of this Release Agreement to revoke this Release Agreement and has been and is hereby advised in writing that this Release Agreement shall not become effective or enforceable until the revocation period has expired; and

h. Understands that rights or claims under the Age Discrimination in Employment Act of 1967 that may arise after the date this Release Agreement is executed are not waived.

6. The parties acknowledge and agree that notwithstanding any provision in this Release Agreement to the contrary, they are not waiving or releasing any rights or obligations they may have under the Indemnification Agreement.

7. This Release Agreement is a full and final compromise and settlement and a general release by Employee that includes all unknown and unanticipated damages or injuries, to property or person, by reason of any act, omission, transaction or event occurring up to and including the date Employee executes this Release Agreement, including, without limitation, any act, omission, transaction or event related to or arising out of Employee's employment with the Company or termination of that employment. This waiver is not a mere recital, but is a known waiver of rights and benefits. This is a bargained-for provision of this Release Agreement and is further consider ation for the covenants and conditions contained herein.

8. Employee agrees to keep the terms and the amount of this Release Agreement completely confidential and agrees that Employee will not hereafter disclose any information concerning this Release Agreement to anyone, including, but not limited to, any past, present or prospective clients, employees, stockholders, agents, suppliers or competitors of the Company. The only exceptions to the foregoing sentence shall be disclosure to Employee's immediate family members and Employee's legal, financial and tax advisers as is necessary or disclosure as may be specifically required by federal, state or local administrative or judicial proceedings or to implement this Release Agreement and as otherwise provided under Section 11 of this Release Agreement. Under no circumstances, except as permitted herein, is Employee to mention the amount of any consideration provided pursuant to this Release Agreement. Employee further agrees to condition any disclosure concerning the terms or amount of this Release Agreement that is permitted hereunder upon an agreement by the recipient not to disclose the terms of this Release Agreement to anyone and to respond to inquiries regarding the Employee's resignation in the same way that Employee and the Company must respond hereunder, except for disclosures required by federal, state or local law or regulation. If Employee or the Company receives any inquiry about Employee's resignation and this Release Agreement, each agrees to state only that (1) Employee resigned his employment with the Company,and (2) the terms of Employee's resignation are confidential and cannot be discussed, or words to virtually the identical effect.

9. Employee acknowledges and agrees that in the course of Employee's employment with the Company, Employee has had access to and/or made use of certain confidential information relating to the business activities of the Company. Such confidential information includes, but is not limited to, the Company's practices and processes in managing its human resources such as recruiting, retention, compensation and training; the Company's business strategies including marketing and distribution; financial results; pricing data; key persons to contact with regard to customer accounts and customer needs; market surveys and research data; and contractual agreements between the Company and customers, distributors and other persons or entities, compilations of information and records that are owned by the Company and are regularly used in the operation of the Company's business and other information that is kept confidential by the Company.

   a. Employee agrees that Employee will continue to abide by any written agreements concerning the use and protection of confidential and proprietary information, which are incorporated herein by reference, and that this Release Agreement does not extinguish any such written agreements. Employee agrees that Employee will not disclose any such confidential information, directly or indirectly, or use any of it in any way whatsoever.

   b. Employee further represents and agrees that all files, computer programs, records, documents, lists, specifications, and similar items relating to the business activities of the Company, including any and all copies, whether prepared by Employee or otherwise coming into Employee's possession, custody or control, are property of the Company and have been or will be returned immediately by Employee to the Company and that Employee will not remove from the premises of the Company any such property or information.

10. Employee expressly agrees that except as provided by applicable law and under this Release Agreement, Employee will bring no new or further proceedings against the Company before any court or administrative tribunal or any other forum whatsoever by reason of any claim, liability or cause of action, whether known or unknown, suspected or unsuspected, arising out of Employee's employment or termination of that employment, or any other act, omission or transaction by the Company, occurring up to and including the Effective Date of this Release Agreement.

11. Nothing in this Release Agreement or under any other Company policy or agreement shall prohibit or interfere with Employee's right to file a charge or complaint, report a violation of the law, communicate, testify, assist, cooperate, or participate in an investigation, proceeding or hearing conducted by the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission or other federal, state or local agency or commission and Employee is not required to report such actions to the Company. In addition, nothing in the Release Agreement prohibits or restricts Employee's ability to share confidential company information regarding possible violations of the law with any federal, state or local government agency, and to accept monetary awards for providing information about violations of the law to any such agency (sometimes referred to as whistleblower awards or informant awards) under any whistleblower law, rule or program. For clarification, Employee's filing of a charge, reporting a violation of law, cooperating, or participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission or other federal, state, or local agency shall not be a violation of Employee's obligations under this Release Agreement or under any other agreement with the Company.

Additionally, nothing in this Release Agreement or under any other Company policy or agreement shall prevent or prohibit Employee from disclosing this Release Agreement to the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or other federal, state or local agency or commission, or as otherwise required by law or court order and Employee is not required to report such actions to the Company.

Employee will not be held liable under any Federal or State trade secret law or under this Release Agreement for the disclosure of a trade secret or other confidential information made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law. Employee likewise will not be held liable for any such disclosure if the disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Also, if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose a trade secret or other confidential information to Employee's attorney and Employee may use the trade secret information or other confidential information in the court proceeding if Employee files any document containing the trade secret or other confidential information under seal and Employee does not otherwise disclose the trade secret or other confidential information, except pursuant to court order. The Company will not retaliate against Employee in any way for a disclosure made in accordance with this Section 10 or otherwise made in accordance with the law.

12. This Release Agreement and compliance with this Agreement shall not constitute or be construed as

an admission by the Company or the Releasees of any wrongdoing or liability of any kind, or an admission of any violation of the rights of Employee, or any person, or violation of any order, law, statute, duty or contract whatsoever, or that Employee was or is entitled to any amounts or relief demanded by him.

13. Each party shall bear his or its own costs and attorney's fees associated with the process leading to this Release Agreement.

14. Should any part of this Release Agreement be declared or determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining parts shall not be affected thereby, and said illegal, invalid or unenforceable part shall be deemed not to be a part of this Release Agreement.

15. Each party acknowledges that it has had an adequate opportunity to review the terms of this Release Agreement with counsel. The parties agree that this Release Agreement shall be interpreted in accordance with the law of the State of Colorado excluding its choice of law rules. The parties further agree that this Release Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against either party.

16. Employee agrees that in executing this Release Agreement Employee does not rely and has not relied on any representation or statement made other than those specifically set forth in this written Release Agreement and the Retirement Benefit Agreement. The parties agree that this Release Agreement constitutes the entire agreement between Employee and the Company pertaining to the subject matter hereof and supersedes all undertakings, promises and agreements, whether oral or in writing, previously entered into between them with respect to the subject matter herein.

17. This Release Agreement shall be binding upon the parties hereto and, as applicable, upon their heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of said parties and each of them and to their heirs, administrators, representatives, executors, successors, and assigns. Employee expressly warrants that Employee has not transferred to any person or entity any rights, causes of action, or claims released by this Release Agreement.

18. This Agreement is offered by the Company on **[Date]** and shall remain available, unless otherwise rejected by the Employee or revoked by the Company, until no later than 5:00 p.m. Pacific Time (2:00 p.m. Eastern Time) on **[Date]**, which is not less than twenty-one (21) days following the date this Release Agreement is offered. Employee may accept the offer only by returning an executed copy of this Release Agreement to the Company and by completing the other conditions specified in Section 2 above. If this Release Agreement is not accepted by Employee before the date and time specified above, the offer shall be deemed rejected and shall be revoked by the Company. The Effective Date of this Release Agreement shall be the eighth day after Employee signs and returns this Release Agreement to the Company so long as Employee (i) signs and returns this Release Agreement to the Company no later than 5:00 p.m. Pacific Time (2:00 p.m. Eastern Time) on **[Date]**, and (ii) does not exercise his right to revoke this Release Agreement as set forth in Section 5.g above.

19. The parties, having read all of the foregoing, having been advised by or having had adequate opportunity to consult with counsel, and having understood and agreed to the terms and conditions of this Employment Separation Agreement and Release of All Claims, do hereby voluntarily execute said Release Agreement by affixing their signatures hereto.

Dated:____________________

____
James Veneziano

Dated:____________________

For Trimble Inc.

____
By:
Its:

SUBSIDIARIES OF THE COMPANY **EXHIBIT 21.1**

Name of Subsidiary or Affiliate	Jurisdiction of Incorporation
ME Sudamerica SRL	Argentina
Beena Vision Asia - Pacific Pty Ltd.	Australia
Civil & Structural Computing Pty Ltd	Australia
Information Alignment Pty. Ltd.	Australia
LSI Robway Pty Limited	Australia
Manhattan Asia Pacific Pty Ltd	Australia
Sefaira Pty. Ltd.	Australia
Spatial Dimension Australia Pty Ltd	Australia
Trimble Australia Solutions Pty Limited	Australia
Trimble Navigation Australia Pty Ltd.	Australia
Trimble Planning Solutions Pty. Ltd.	Australia
Network Mapping Pty Limited	Australia
AllTerra Österreich GmbH	Austria
Plancal GmbH	Austria
Acunia International NV	Belgium
ICS Benelux NV	Belgium
Stabiplan BVBA	Belgium
Trimble Leuven NV	Belgium
Trimble NV	Belgium
Wevada NV	Belgium
Gehry Technologies Consultoria e Software Ltda.	Brazil
Savcor Ltda.	Brazil
Spatial Dimension Sistemas do Brasil Ltda.	Brazil
Trimble Brasil Solucoes Ltda.	Brazil
NM Group Network Mapping Corp.	Canada
Spatial Dimension Canada ULC	Canada
0807381 B.C. Ltd.	Canada
Applanix Corporation	Canada
Cengea Solutions Corporation	Canada
GEOTrac Systems Inc.	Canada
Load Systems International Inc	Canada
Maddocks Systems, Inc.	Canada
PeopleNet Communications Canada Corp.	Canada
Trimble Canada Corporation	Canada
Trimble Canada Development Limited	Canada
Trimble Exchangeco Ltd.	Canada
Trimble Holdings Company	Canada
VS Visual Statement, Inc.	Canada
Geo-3D Inc.	Canada

Name of Subsidiary or Affiliate	Jurisdiction of Incorporation
Trimble Chile Commercial Ltda	Chile
Trimble Loadrite Chile SPA	Chile
Trimble Navigation Chile Limitada	Chile
Eleven Technology (SIP) Co., Ltd.	China
GT (Beijing) Co., Ltd.	China
Tianpan Century Co. Ltd	China
Tianpan Information Science & Technology Co. Ltd.	China
Trimble Communication and Navigation Technology (Xi'An) Co., Ltd.	China
Trimble DBO Information Technology (Shanghai) Co. Ltd.	China
Trimble Electronics Products (Shanghai) Co. Ltd.	China
Trimble Leading Electronic Technology (Shanghai) Co. Ltd.	China
Trimble Solutions Aarhus A/S	Denmark
Trimble Middle East WLL	Egypt
ALK Technologies Limited	England
Amtech Group Limited	England
Atrium Software Ltd	England
Civil & Structural Computing (International) Ltd	England
Civil & Structural Computing (Middle East) Ltd	England
Cobco 867 Limited	England
Computer Services Consultants (UK) Ltd	England
CSC (Holdings) Ltd.	England
CSC (World) Limited	England
Lakefield eTechnologies Limited	England
Manhattan Data Craft Ltd.	England
Manhattan Software Group Ltd.	England
MSG Public Sector Ltd	England
Sefaira Ltd.	England
Sefaira UK Ltd.	England
Strucad 2011 Ltd.	England
Trimble Solutions (UK) Ltd.	England
Trimble UK Limited	England
Trimble MRM Limited	England
Fifth Element OY	Finland
Oy Silvadata Ab	Finland
Savcor Holding OY	Finland
Savcor OY	Finland
Trimble Finland Oy	Finland
Trimble Solutions Oy	Finland
GT France SAS	France
Magnav France Holdco S.A.S.	France
Manhattan Software France SARL	France

Name of Subsidiary or Affiliate	Jurisdiction of Incorporation
ME France SarL	France
Mensi, S.A.	France
Punch Telematix France SAS	France
Solid SAS	France
Stabiplan S.A.S.	France
Trimble France SAS	France
Trimble Lyon Sarl	France
Trimble Nantes SAS	France
Trimble Solutions France Sarl	France
AllTerra Deutschland GmbH	Germany
AllTerra Deutschland GmbH	Germany
Axio-Net GmbH	Germany
HHK Datentechnik GmbH	Germany
Linear Project GmbH	Germany
Müller-Elektronik GmbH & Co. KG	Germany
Müller-Elektronik Verwaltungs GmbH	Germany
Punch Telematix Deutschland GmbH	Germany
Savcor IT GmbH	Germany
Sigma GmbH	Germany
Sigma Handels GmbH	Germany
Stabiplan GmbH	Germany
Trimble Germany GmbH	Germany
Trimble GmbH	Germany
Trimble Jena GmbH	Germany
Trimble Kaiserslautern GmbH	Germany
Trimble Railway GmbH	Germany
Trimble Solutions Germany GmbH	Germany
Trimble TerraSat GmbH	Germany
WTK-Elektronik GmbH	Germany
GT Asia Limited	Hong Kong
Trimble Hungary Kft.	Hungary
Building Data Private Limited	India
CSC World (India) Private Limited	India
Spime India Technologies Private Limited	India
Trimble EM3 Connected Services Private Limited	India
Trimble Information Technologies India Private Limited	India
Trimble Mobility Solutions India Limited	India
Trimble Navigation India Pvt. Ltd.	India
Trimble Solutions India Pvt. Ltd.	India
Lakefield eTechnologies Group Limited	Ireland
Lakefield eTechnologies Limited	Ireland
Lime Daross Limited	Ireland

Name of Subsidiary or Affiliate	Jurisdiction of Incorporation
Trimble Railway Limited	Ireland
Spektra Agri S.r.l	Italy
Spektra S.r.l.	Italy
Trimble Italia SRL	Italy
Trimble Japan KK	Japan
Trimble Solutions Japan KK	Japan
Trimble Solutions Korea Co., Ltd.	Korea
Trimble Solutions Malaysia Sdn. Bhd.	Malaysia
Gehry Americas Services S de RL de CV	Mexico
Gehry Technologies Americas S de RL de CV	Mexico
Geo de SECO S. de R.L. de C.V.	Mexico
Gehry Technologies Netherlands BV	Netherlands
KWW Beheer B.V.	Netherlands
LogicWay B.V.	Netherlands
Punch Telematix Nederland B.V.	Netherlands
Stabiplan B.V.	Netherlands
Stabiplan Holding B.V.	Netherlands
Stabiplan International B.V.	Netherlands
TNL Technology Holdings CV	Netherlands
Trimble BV	Netherlands
Trimble Eersel B.V.	Netherlands
Trimble Europe BV	Netherlands
Trimble International B.V.	Netherlands
Trimble Loadrite Europe BV	Netherlands
Manhattan Asia Pacific NZ Limited	New Zealand
Trimble Loadrite Auckland Limited	New Zealand
Trimble Navigation New Zealand Ltd.	New Zealand
Trimble New Zealand Solutions	New Zealand
Trimble Norway AS	Norway
Trimble Solutions Sandvika AS	Norway
Trimble Poland Sp.z.o.o	Poland
Gehry Technologies Middle East, LLC	Qatar
Stabiplan S.R.L.	Romania
Rusnavgeoset LLC	Russian Federation
Trimble RUS LLC	Russian Federation
Load Systems UK Limited	Scotland
Trimble Navigation Singapore Pte. Ltd.	Singapore
Trimble Solutions SEA Pte. Ltd.	Singapore
Sitech Southern Africa (Pty.) Ltd.	South Africa
Spatial Dimension Pty Ltd	South Africa
Spatial Dimension South Africa Pty Ltd	South Africa
Trimble Navigation Technology South Africa (Pty) Ltd.	South Africa

Name of Subsidiary or Affiliate	Jurisdiction of Incorporation
Trimble South Africa Distribution Holdings Pty. Ltd.	South Africa
Geotronics Southern Europe S.L.	Spain
Punch Telematix Iberica SL	Spain
Trimble International Holdings S.L.	Spain
Trimble Navigation Iberica S.L.	Spain
PocketMobile Communications AB	Sweden
Trimble AB	Sweden
Trimble Solutions Gothenburg AB	Sweden
Trimble Solutions Sweden AB	Sweden
Trimble Sweden AB	Sweden
Trimble Holding GmbH	Switzerland
Trimble Lizenz Switzerland GmbH	Switzerland
Trimble Switzerland GmbH	Switzerland
Trimble (Thailand) Co. Ltd.	Thailand
Trimble GT Middle East	UAE
Network Mapping Group Limited	United Kingdom
Network Mapping Limited	United Kingdom
Network Mapping UK Ltd	United Kingdom
Office Products Update Services, LLC	USA - CA
SECO Manufacturing Company, Inc.	USA - CA
Spime Inc.	USA - CA
Trade Service Company, LLC	USA - CA
Trimble Export Limited	USA - CA
Trimble IP General Corporation	USA - CA
Trimble IP Limited Corporation	USA - CA
Trimble Military and Advanced Systems Inc.	USA - CA
Trimble Solutions, Inc.	USA - CA
Fidelity Comtech, Inc.	USA - CO
Ashtech, LLC	USA - DE
Gehry Technologies, Inc.	USA - DE
Iron Solutions, Inc.	USA - DE
Lakefield eTechnologies, Inc.	USA - DE
Network Mapping Inc.	USA - DE
Network Mapping LLC	USA - DE
PeopleNet Holdings Corporation	USA - DE
PNET Holding Corp.	USA - DE
TOGS USA, Inc.	USA - DE
Trade Service Holdings, Inc.	USA - DE
Trimble Foundation	USA - DE
Trimble Solutions USA, Inc.	USA - DE
Trimble Transportation Enterprise Solutions Inc.	USA - DE
Trucker Tech Inc.	USA – DE

Name of Subsidiary or Affiliate	Jurisdiction of Incorporation
e-Builder, Inc.	USA - FL
Innovative Software Engineering, L.L.C.	USA - IA
ISE Fleet Services, LLC	USA - IA
One20 Inc.	USA - MN
PeopleNet Communications Corporation	USA - MN
BearTooth Mapping, Inc.	USA - MT
ALK Technologies, Inc.	USA - NJ
Applanix LLC	USA - TX
Geoline, Inc.	USA - WA

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statements (Form S-8 Nos. 33-78502 and 333-04670) of Trimble Navigation Limited, pertaining to the 1990 Director Stock Option Plan,
(2) Registration Statement (Form S-8 No. 33-45604) pertaining to the "Position Us for Progress" 1992 Employee Stock Bonus Plan of Trimble Navigation Limited,
(3) Registration Statements (Form S-8 Nos. 33-39647, 33-57522, 33-78502, 33-91858, 333-04670, 333-53703, 333-84949, 333-38264, 333-65758, and 333-28429) pertaining to the 1993 Stock Option Plan of Trimble Navigation Limited,
(4) Registration Statements (Form S-8 Nos. 333-97979, 333-118212, 333-138551, 333-161295, 333-183229, and 333-222502) pertaining to the Amended and Restated 2002 Stock Plan of Trimble Inc.,
(5) Registration Statements (Form S-8 Nos. 333-53703, 333-84949, 333-38264, 333-97979, 333-118212, 333-161295, 333-138551, 333-183229, 33-37384, and 33-62078) pertaining to the Amended and Restated, Employee Stock Purchase Plan of Trimble Inc.,
(6) Registration Statements (Form S-8 Nos. 33-45167, 33-46719, 33-50944, 33-84362, and 333-208275) pertaining to the Savings and Retirement Plan of Trimble Inc., and
(7) Registration Statement (Form S-3 No. 333-147155) of Trimble Navigation Limited;

of our reports dated February 26, 2018, with respect to the consolidated financial statements and schedule of Trimble Inc. and the effectiveness of internal control over financial reporting of Trimble Inc. included in this Annual Report (Form 10-K) of Trimble Inc. for the year ended December 29, 2017.

/s/ Ernst & Young LLP

San Jose, California
February 26, 2018

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Steven W. Berglund, certify that:

1. I have reviewed this annual report on Form 10-K of Trimble Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2018

/s/ Steven W. Berglund

Steven W. Berglund
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Robert G. Painter, certify that:

1. I have reviewed this annual report on Form 10-K of Trimble Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2018

/s/ Robert G. Painter

Robert G. Painter
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Trimble Inc. (the "Company") for the period ended December 29, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Steven W. Berglund, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Steven W. Berglund

Steven W. Berglund
Chief Executive Officer

February 26, 2018

EXHIBIT 32.2

**CERTIFICATION OF CFO PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Trimble Inc. (the “Company”) for the period ended December 29, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Robert G. Painter, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge, that:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert G. Painter

Robert G. Painter
Chief Financial Officer

February 26, 2018