



Q2 2010 Earnings Call Webcast

August 4, 2010



Safe Harbor Statement

These materials include forward-looking statements. These statements are based on the current expectations of Garmin Ltd. and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements include, without limitation, statements containing words such as "proposed" and "intends" or "intended" and "expects" or "expected". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. These factors include those discussed or identified in the filings by Garmin Ltd. with the U.S. Securities and Exchange Commission in its Annual Report on Form 10-K, and its quarterly reports on Form 10-Q. Garmin Ltd. does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Business Update

**Cliff Pemble
President and COO**

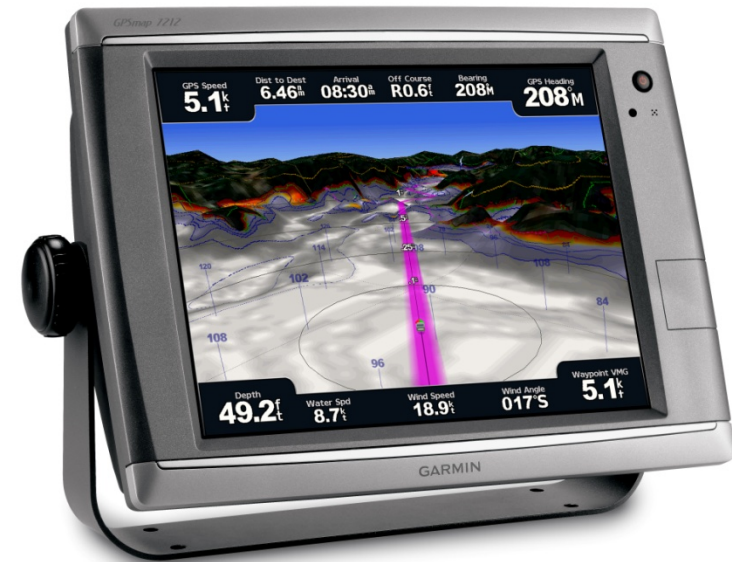
Delivered 2nd quarter revenue, unit and pro forma earnings growth

- Revenue growth in all four business segments
- Units increased 8% with growth in all four business segments
- Gross and operating margin strength at 54% and 28%, respectively
- Pro forma earnings per share of \$0.85, 2% year-over-year growth
- Generated \$172 million in free cash flow

Paid \$1.50 per share dividend and repurchased 1.6 million shares of GRMN

2nd Quarter Business Highlights

- 23% year-over-year revenue increase
- Industry continues to show signs of recovery
- Outperforming competitors and gaining market share through innovation in both hardware and software design
- Continued focus on becoming the market share leader in recreational marine electronics through product introductions and OEM integrations



Bayliner OEM Announcement

- All 2011 Bayliner navigation packages will feature Garmin marine electronics
- Delivering value and performance to the Bayliner customer through intuitive state-of-the-art design



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2nd Quarter Business Highlights

- 1% year-over-year revenue increase as the retrofit and portable market improved
- OEM recovery continues to lag the broader economic recovery
- Expand addressable markets with additional helicopter and business jet certifications



Certification Announcements



- Bell 206 series and Bell 407 helicopters – G500H glass avionics panel granted FAA certification
- Cessna CitationJet – G1000 integrated flight panel certified by the FAA as a retrofit solution

2nd Quarter Business Highlights

- 32% year-over-year revenue increase
- Contributed over 30% of total operating income due to the strong growth and margin profile
- Continued focus on expanded distribution and broader product offerings



- **Growth Drivers**

- Breadth of portfolio
- Affordably priced products across the segment including eTrex series of handhelds, Edge 500 for cyclists and Forerunner 110 for runners
- High-end, feature-rich products like the Oregon series of handhelds and Forerunner 310XT



2nd Quarter Business Highlights

- 2% year-over-year revenue increase with 4% unit growth
- Global market share gains
- Operating margins remain strong, as we made significant research and development and advertising investments in the segment

Market Outlook

- Expect PND market to decline slightly in 2010 due to higher penetration rates globally and increasing navigation competition
- Expect global market share gains to help offset the overall industry dynamics
- Focus on cash flow generation, replacement buyers and in-dash opportunities

Mobile Handset Update

- **Garmin-Asus Garminfone™ A50**
 - Launched with T-Mobile in the United States, O2 in Germany and Optus in Australia
- **Garmin-Asus nüvifone™ A10**
 - New carrier announcements: Telenor in Denmark, Tele2 in Sweden and Optus in Australia



	2010 Range
Revenue	\$2.8 - \$3.0B
Gross Margin	46-48%
Operating Income	\$675M - \$725M
Operating Margin	23-24%
EPS (Pro Forma)	\$2.75-\$3.15

Financial Update

Kevin Rauckman
CFO and Treasurer

Q2 Income Statement

(\$ Millions)	Q2 2010	Q2 2009	Change
Revenue	\$729	\$669	9%
Gross Profit	392	352	11%
Gross Margin %	53.7%	52.6%	110 bps
Advertising	43	34	25%
SG&A	74	62	19%
R&D	73	57	30%
Total Operating Expense	190	153	25%
Operating Income	202	199	1%
Operating Margin %	27.7%	29.8%	(210 bps)
Other Income/(Expense)	(38)	1	NA
Income Tax	29	38	(24%)
Net Income	135	162	(17%)
EPS (GAAP)	\$0.67	\$0.81	(17%)
Pro-Forma EPS (excl. FX)	\$0.85	\$0.83	2%
Units Shipped (k)	4,001	3,715	8%

Pro Forma Net Income

Garmin Ltd. And Subsidiaries				
Net income per share (Pro Forma)				
(in thousands, except per share information)				
	13-Weeks Ended		39-weeks Ended	
	June 26, 2010	June 27, 2009	June 26, 2010	June 27, 2009
Net Income (GAAP)	\$134,816	\$161,871	\$172,144	\$210,409
Foreign currency (gain) / loss, net of tax effects	\$35,756	\$3,918	\$73,916	\$5,893
Gain on sale of equity securities, net of tax effects	-	-	-	\$0
Net income (Pro Forma)	\$170,572	\$165,789	\$246,060	\$216,302
Net income per share (GAAP):				
Basic	\$0.68	\$0.81	\$0.86	\$1.05
Diluted	\$0.67	\$0.81	\$0.86	\$1.05
Net income per share (Pro Forma)				
Basic	\$0.86	\$0.83	\$1.23	\$1.08
Diluted	\$0.85	\$0.83	\$1.23	\$1.08
Weighted average common shares outstanding:				
Basic	198,948	200,296	199,437	200,364
Diluted	200,102	200,853	200,626	200,814

Management believes that net income per share before the impact of foreign currency translation gain or loss is an important measure.

Revenue by Segment

(\$ Millions)	Q2 2010	Q2 2009	Change
Auto / Mobile	\$447	\$437	2%
Outdoor / Fitness	143	108	32%
Aviation	65	64	1%
Marine	74	60	23%
Total Revenue	729	669	9%

(\$ Millions)	YTD 2010	YTD 2009	Change
Auto / Mobile	\$668	\$697	(4%)
Outdoor / Fitness	245	188	30%
Aviation	131	123	6%
Marine	116	98	18%
Total Revenue	1,160	1,106	5%

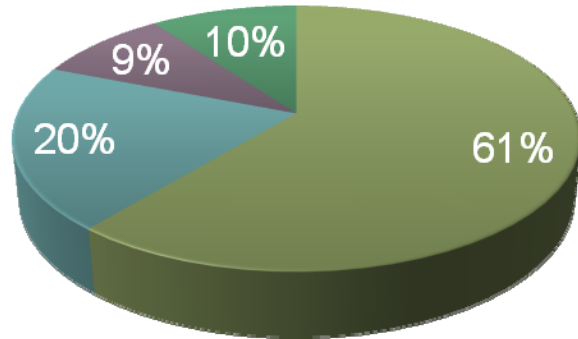
Revenue by Geography

(\$ Millions)	Q2 2010	Q2 2009	Change
North America	\$455	\$436	4%
Europe	226	198	14%
Asia	48	35	37%
Total Revenue	729	669	9%

(\$ Millions)	YTD 2010	YTD 2009	Change
North America	\$709	\$702	1%
Europe	360	340	6%
Asia	91	64	42%
Total Revenue	1,160	1,106	5%

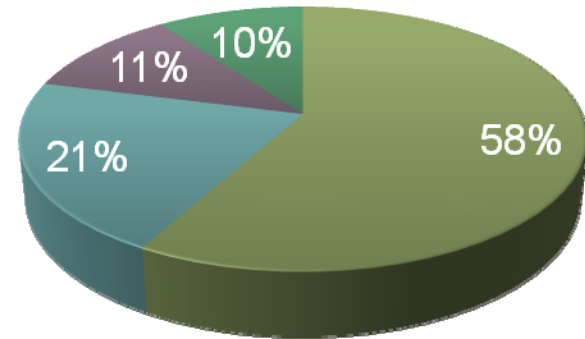
Revenue by Segment

Q2 2010



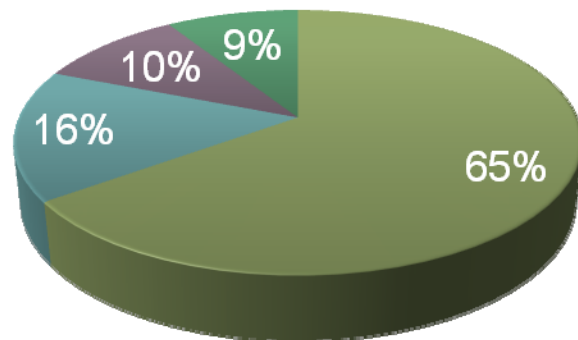
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

YTD 2010



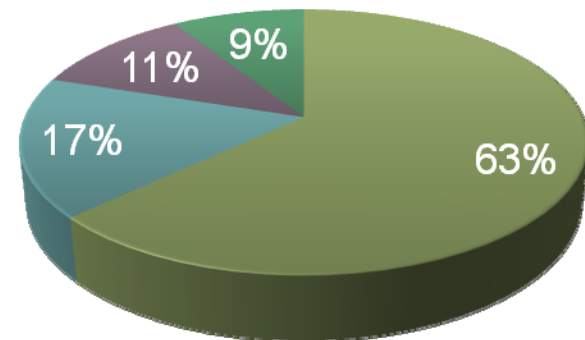
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Q2 2009



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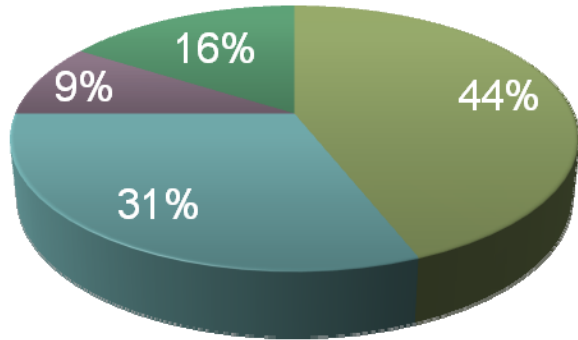
YTD 2009



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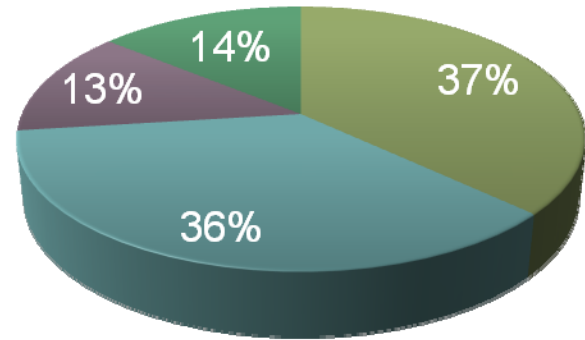
Operating Income by Segment

Q2 2010



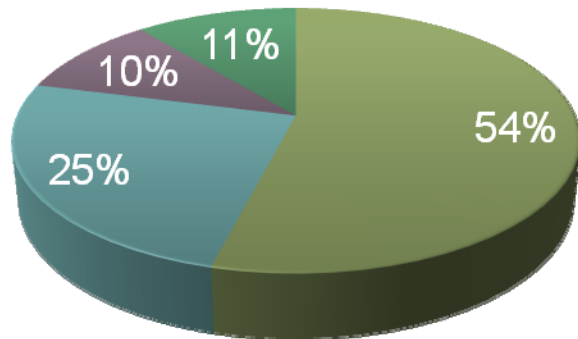
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YTD 2010



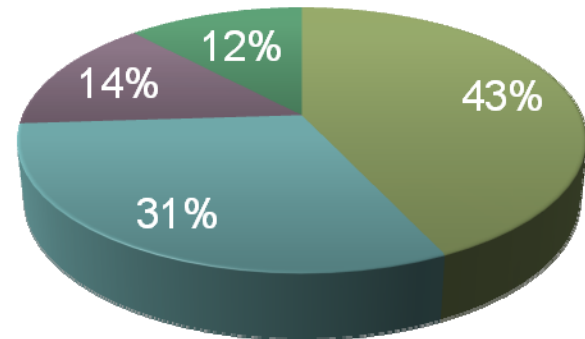
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Q2 2009



■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

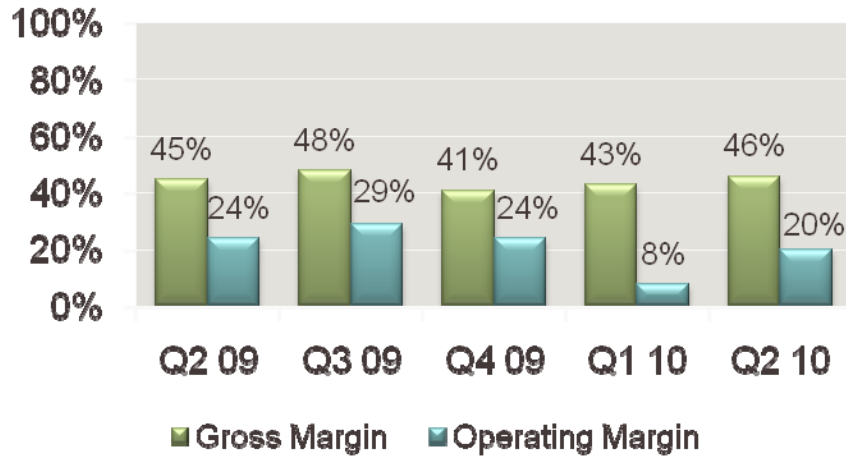
YTD 2009



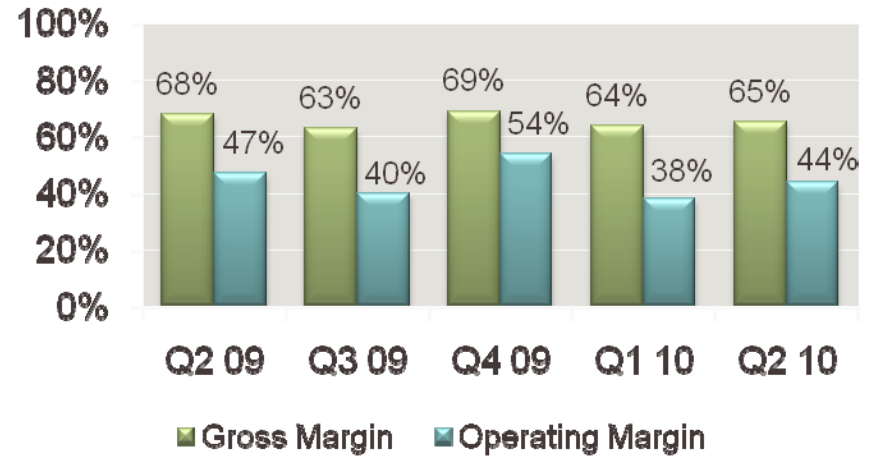
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

Margin by Segment

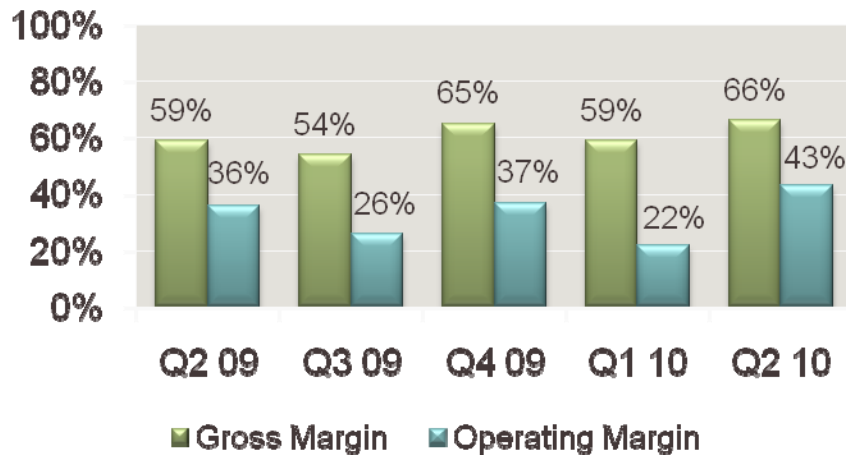
Auto / Mobile



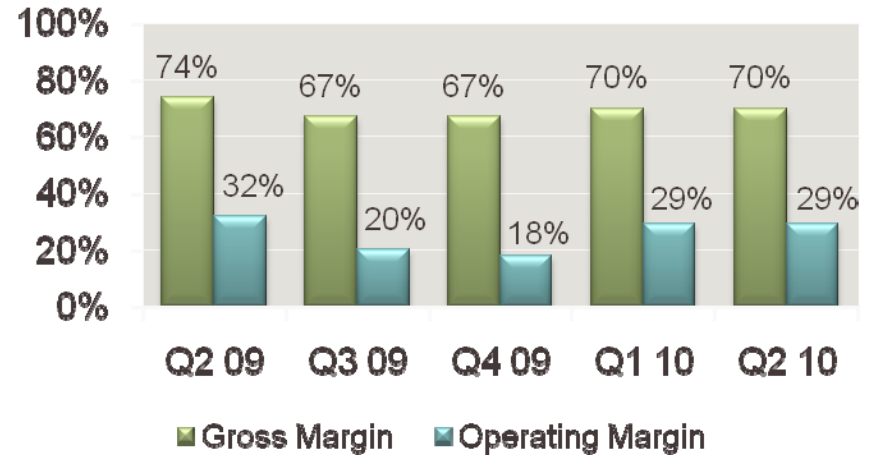
Outdoor / Fitness



Marine

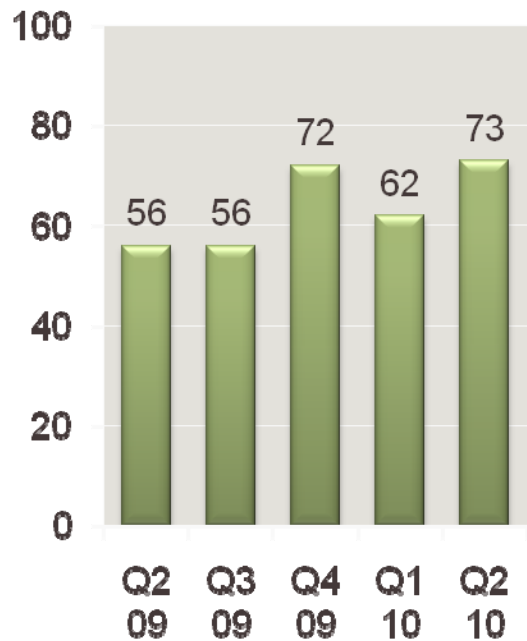


Aviation

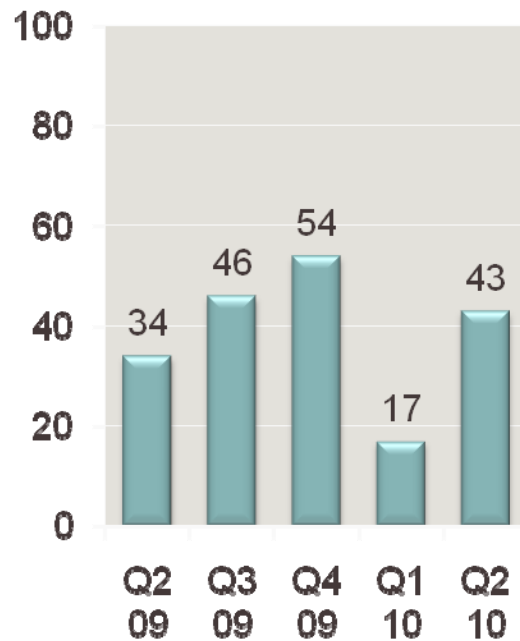


Operating Expenses

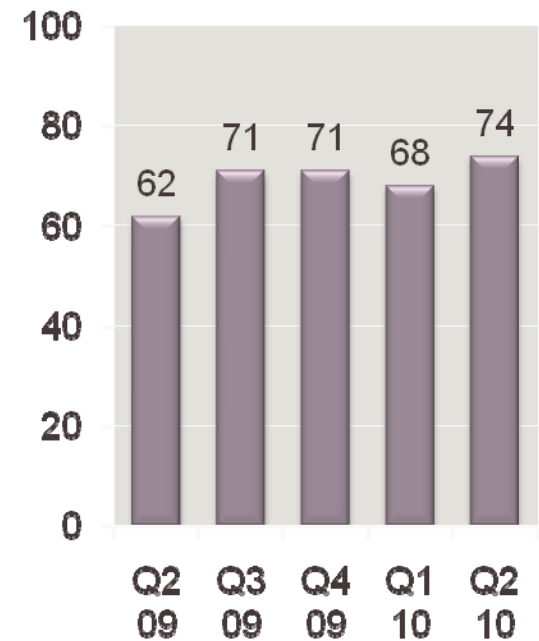
R&D (\$M)



Advertising (\$M)



SG&A (\$M)



Q2 Balance Sheet

(\$ Millions)	FY 2008	FY 2009	Q1 2010	Q2 2010
Cash & Marketable Securities	973	1,860	1,993	1,829
Accounts Receivable	741	874	419	499
Inventory	425	310	356	359
Deferred Income Taxes	59	80	81	78
Prepaid Assets	25	39	63	53
Property, Plant & Equipment	445	441	433	427
Other Assets / Goodwill	266	222	207	186
Total Assets	2,934	3,826	3,552	3,431
Accounts Payable	160	203	110	151
Other Accrued Liabilities	299	431	209	229
Income Taxes Payable	234	279	286	287
Dividend Payable	-	-	300	-
Deferred Revenue	1	67	81	104
Deferred Income Taxes	14	10	11	9
Shareholders Equity	2,226	2,836	2,555	2,651
Total Liabilities / Equity	2,934	3,826	3,552	3,431

Cash Flow

(\$ Millions)	FY 2008	FY 2009	Q1 2010	Q2 2010
Net Income	733	704	37	135
Depreciation / Amortization	78	98	22	30
Accounts Receivable	206	(132)	436	(72)
Inventory	83	61	(50)	(14)
Accounts Payable	(236)	38	(95)	42
Deferred Revenue	1	66	14	23
Other Cash from Operations	(3)	259	(164)	38
Cash Flow from Operations	862	1,094	200	182
Investing Activities	(56)	(547)	64	41
Financing Activities	(808)	(161)	(43)	(334)
Exchange Rate Changes	(9)	9	(21)	(8)
Net Increase / (Decrease) in Cash	(11)	395	200	(119)
Cash at End of Period	697	1,092	1,292	1,173
Marketable Securities	276	768	701	656
Total Cash and Marketable Securities	973	1,860	1,993	1,829

Uses of Cash

- Annual 2010 dividend paid in April 2010 representing a \$299 million use of cash
- Share repurchase:
 - Repurchased approximately 1,647,000 shares in Q2 for approximately \$52.5 million
 - Subsequent to quarter-end, repurchased an additional 3,000,000 shares
 - \$111.6 million remains available in the authorized repurchase plan of \$300 million expiring December 31, 2011
- Continue to evaluate various acquisition opportunities

Taxes

- Tax rate was 18% for second quarter. We expect the rate to be approximately 15-18% in 2010

2010 Year-over-Year Revenue Guidance

By Segment	
Aviation	0% - 5%
Auto/Mobile	(10%) - (5%)
Marine	10% - 15%
Outdoor/Fitness	15% - 20%
Total	(5%) - 2%

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