



Q3 2010 Earnings Call Webcast

November 3, 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



3rd Quarter 2010 Highlights

- **Delivered revenue and operating income growth in Outdoor/Fitness, Marine, and Aviation**
- **Sold 3.8 million units**
- **Acquired MetriGear, the creator of a pedal-based power solution for cycling**
- **Redeployed mobile handset R&D to other growth areas**
- **Generated \$195 million in free cash flow**
- **Repurchased 4.3 million shares of GRMN**

- **3rd Quarter Business Highlights**
 - 1% year-over-year revenue increase
 - Operating income grew 33%
 - Industry slowed significantly after 2nd quarter
 - Continued focus on key growth strategies of becoming the market share leader in recreational marine electronics through product introductions and OEM integrations
 - Selected by the American Boatbuilders Association as a preferred supplier of choice for a wide range of Marine electronics
 - Introduced the GHP 12 sailboat autopilot; further expanding our addressable market



- **3rd Quarter Business Highlights**
 - 4% year-over-year revenue increase
 - Operating income grew 40%
 - OEM recovery continues to lag the broader economic recovery with GAMA reporting a 10% decline in general aviation shipments in the first half of 2010
 - Long-term growth strategy intact with ongoing retrofit certifications and introduction of the G5000 for the business jet market



- **Product & Certification Announcements**

- G5000 – Part 25 avionics panel; launching on the Cessna Citation Ten in 2013
- KingAir 300/350 – G1000 retrofit program with planned certification in mid-2011
- FedEx Express retrofit program: 250 Cessna Caravans to be equipped with G600 avionics suite



- **3rd Quarter Business Highlights**
 - 9% year-over-revenue increase
 - Operating income grew 28%; contributing 41% of total operating income due to the strong growth and margin profile
 - New product suite strong into holiday selling season
 - MetriGear acquisition will expand our product portfolio for cycling



Outdoor / Fitness

- **Forerunner 210**
 - Basic and intuitive GPS watch with the addition of training and alerts
- **Forerunner 410**
 - Enhanced touch bezel and new software features including advanced workout capabilities
- **Edge 800**
 - 2.6” touchscreen display with premium features including ANT+ wireless compatibility and customizable mapping options



- **3rd Quarter Business Summary**
 - 19% year-over-year revenue decline with single digit unit decline
 - ASPs down significantly year-over-year
 - Global market share gains
 - OEM growth reached triple digits in the quarter
 - Redeployed research & development resources from mobile handset segment; will begin launching mobile applications in 2011
- **Market Outlook**
 - Expect PND market to decline year-over-year in the 4th quarter
 - Expect ongoing global market share gains to reduce the impact of market declines
 - Focus on emerging markets and in-dash opportunities

Auto OEM Update

- **Chrysler relationship expanded to include an array of 2011 makes and models**
 - Provides latest navigation features and functionality to an integrated infotainment package in a cost-effective way
- **Suzuki relationship extended with connected navigation in the Grand Vitara and SX4**
 - Incorporates the nüvi 1690 connected PND for delivery of real-time traffic, weather, and Google local search



2010 Guidance

Updated Full Year	
Revenue	\$2.65 – \$2.75B
Gross Margin	49 – 50%
Operating Income	\$640M – \$680M
Operating Margin	24 – 25%
EPS (Pro Forma)	\$2.70 – \$2.90



Financial Update

Kevin Rauckman
CFO and Treasurer



Q3 Income Statement

(\$ Millions)	Q3 2010	Q3 2009	Change
Revenue	\$692	\$781	(11%)
Gross Profit	344	410	(16%)
Gross Margin %	49.7%	52.5%	(280 bps)
Advertising	41	46	(11%)
SG&A	67	71	(6%)
R&D	69	56	23%
Total Operating Expense	177	173	2%
Operating Income	167	237	(30%)
Operating Margin %	24.1%	30.3%	(620 bps)
Other Income/(Expense)	44	20	120%
Income Tax	(69)	42	(264%)
Net Income	280	215	30%
EPS (GAAP)	\$1.43	\$1.07	34%
Pro-Forma EPS (excl. FX/Tax)	\$0.70	\$1.02	(31%)
Units Shipped (k)	3,811	3,866	(1%)

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	
	Sept 25, 2010	Sept 26, 2009	Sept 25, 2010	Sept 26, 2009
Net Income (GAAP)	\$279,552	\$215,133	\$451,696	\$425,542
Foreign currency (gain) / loss, net of normalized tax effects	(\$27,784)	(\$9,848)	\$43,745	(\$3,689)
One-time tax adjustment	(\$114,605)	-	(\$114,605)	-
Net income (Pro Forma)	\$137,162	\$205,285	\$380,836	\$421,853
Net income per share (GAAP):				
Basic	\$1.44	\$1.07	\$2.28	\$2.12
Diluted	\$1.43	\$1.07	\$2.27	\$2.12
Net income per share (Pro Forma)				
Basic	\$0.71	\$1.02	\$1.93	\$2.11
Diluted	\$0.70	\$1.02	\$1.91	\$2.10
Weighted average common shares outstanding:				
Basic	194,482	200,546	197,785	200,398
Diluted	195,305	201,599	198,891	201,038

Revenue by Segment

(\$ Millions)	Q3 2010	Q3 2009	Change
Auto / Mobile	\$442	\$546	(19%)
Outdoor / Fitness	144	132	9%
Aviation	60	58	4%
Marine	46	45	1%
Total Revenue	692	781	(11%)

(\$ Millions)	YTD 2010	YTD 2009	Change
Auto / Mobile	\$1,110	\$1,242	(11%)
Outdoor / Fitness	389	320	22%
Aviation	191	181	6%
Marine	162	144	13%
Total Revenue	1,852	1,887	(2%)

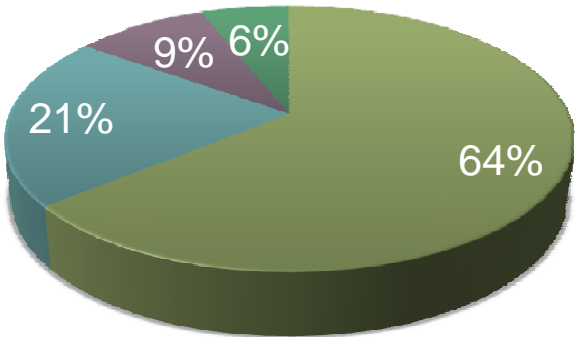
Revenue by Geography

(\$ Millions)	Q3 2010	Q3 2009	Change
North America	\$413	\$503	(18%)
Europe	216	237	(9%)
Asia	63	41	54%
Total Revenue	692	781	(11%)

(\$ Millions)	YTD 2010	YTD 2009	Change
North America	\$1,109	\$1,205	(8%)
Europe	588	577	2%
Asia	155	105	47%
Total Revenue	1,852	1,887	(2%)

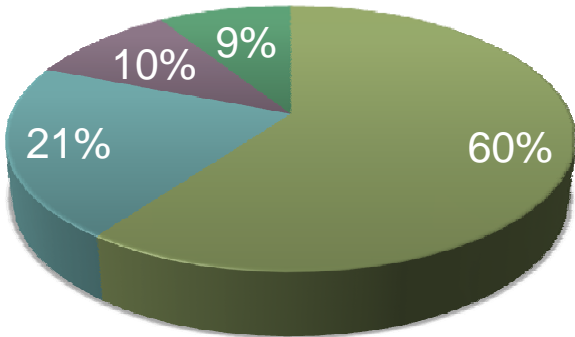
Revenue by Segment

Q3 2010



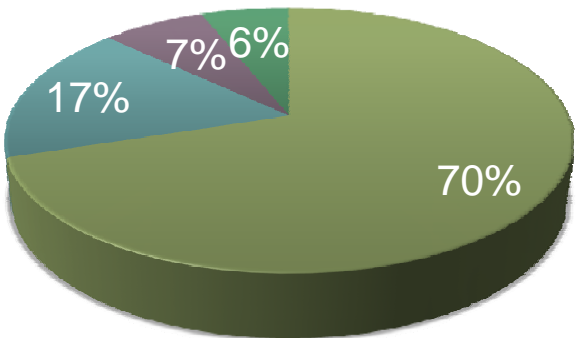
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

YTD 2010



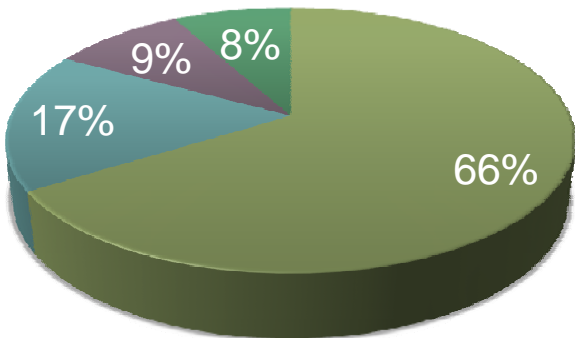
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Q3 2009



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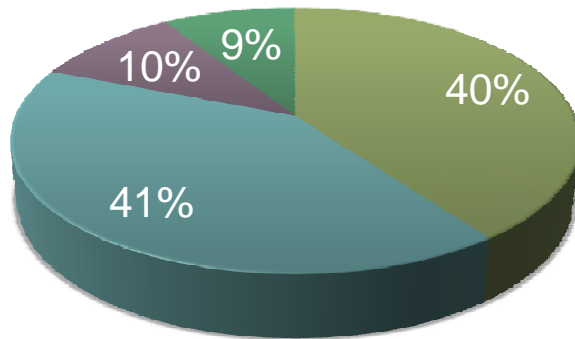
YTD 2009



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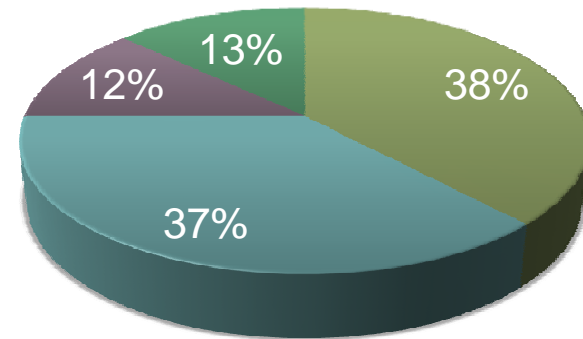
Operating Income by Segment

Q3 2010



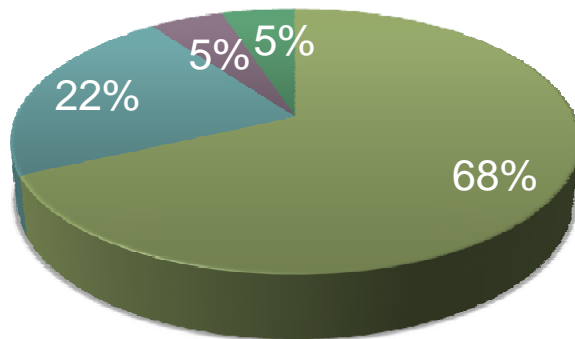
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YTD 2010



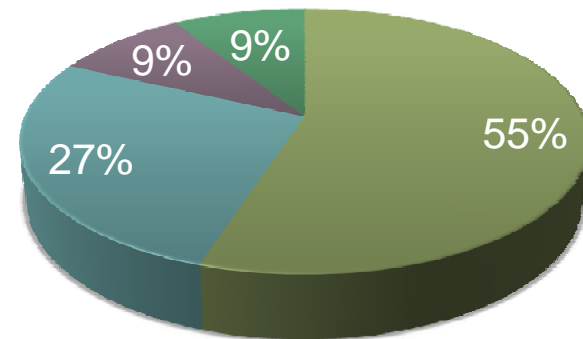
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Q3 2009



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

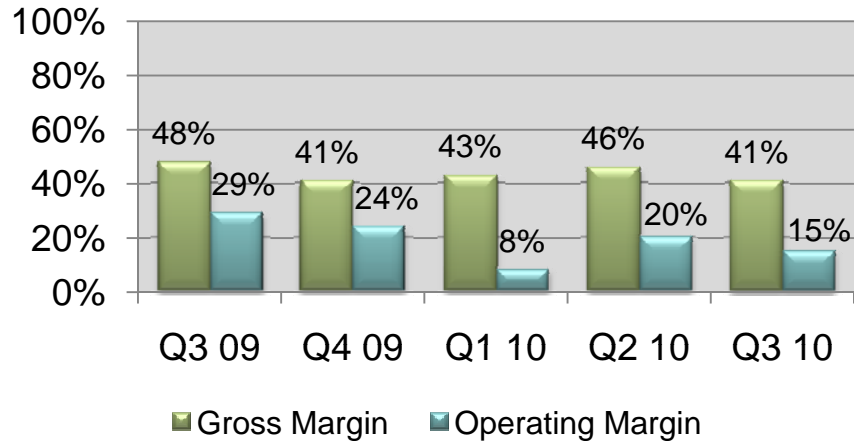
YTD 2009



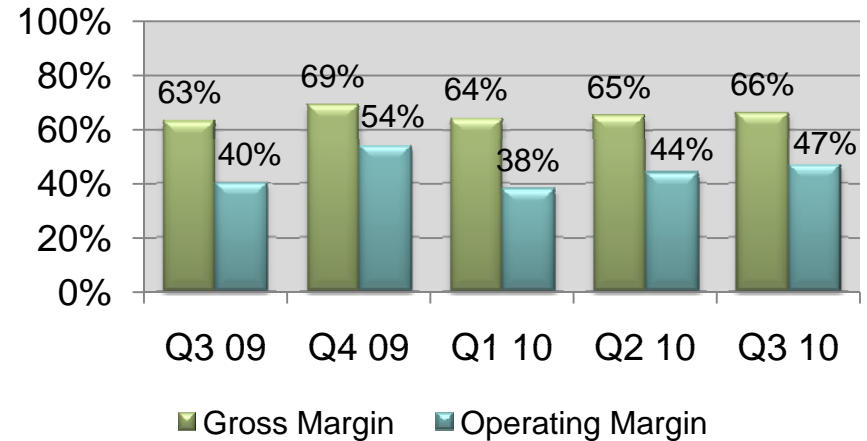
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

Margin by Segment

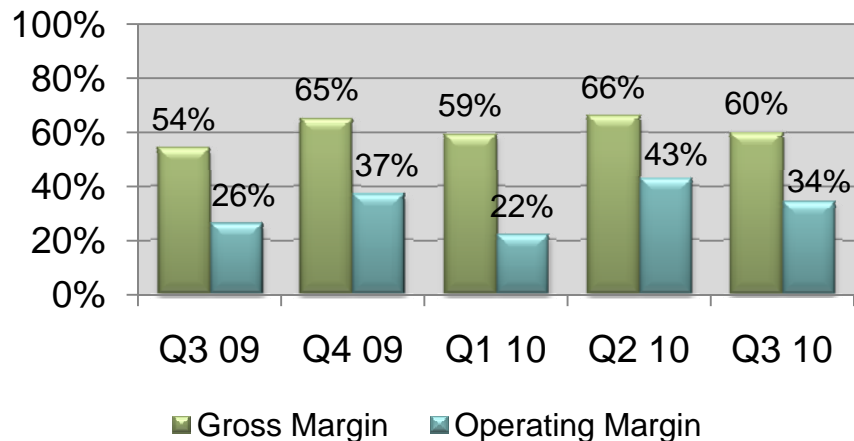
Auto / Mobile



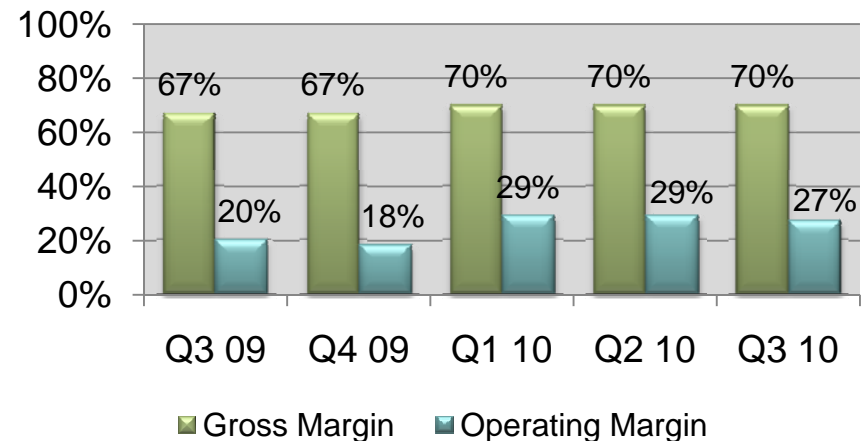
Outdoor / Fitness



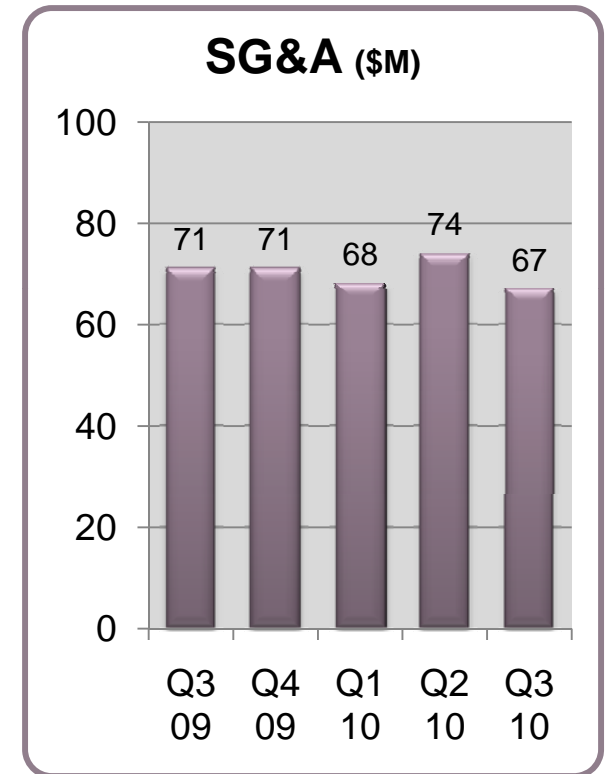
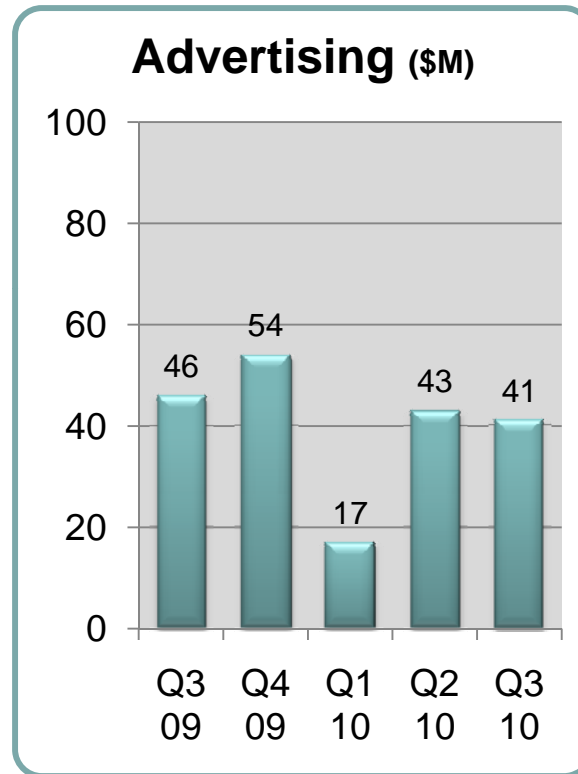
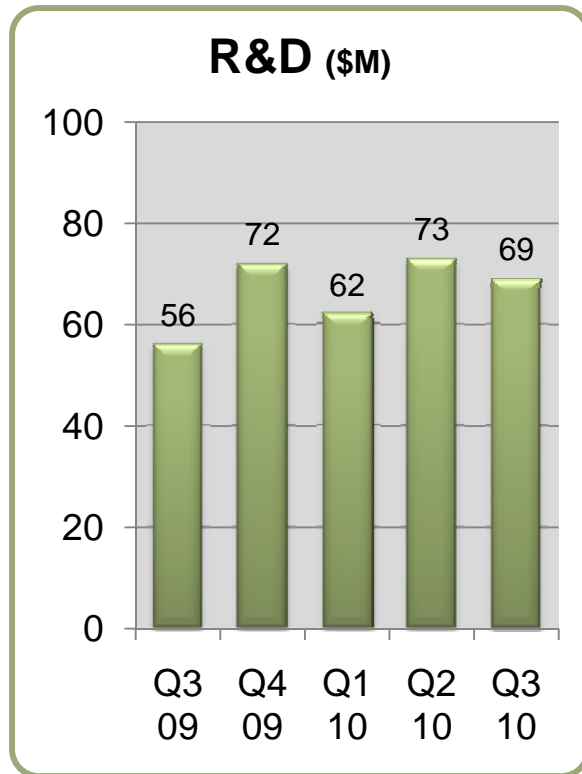
Marine



Aviation



Operating Expenses



Q3 Balance Sheet

(\$ Millions)	FY 2008	FY 2009	Q1 2010	Q2 2010	Q3 2010
Cash & Marketable Securities	973	1,860	1,993	1,829	1,898
Accounts Receivable	741	874	419	499	525
Inventory	425	310	356	359	494
Deferred Income Taxes	59	80	81	78	79
Prepaid Assets	25	39	63	53	36
Property, Plant & Equipment	445	441	433	427	428
Other Assets / Goodwill	266	222	207	186	198
Total Assets	2,934	3,826	3,552	3,431	3,658
Accounts Payable	160	203	110	151	195
Other Accrued Liabilities	299	431	209	229	272
Income Taxes Payable	234	279	286	287	198
Dividend Payable	-	-	300	-	-
Deferred Revenue	1	67	81	104	132
Deferred Income Taxes	14	10	11	9	11
Shareholders Equity	2,226	2,836	2,555	2,651	2,850
Total Liabilities / Equity	2,934	3,826	3,552	3,431	3,658

Cash Flow

(\$ Millions)	FY 2008	FY 2009	Q1 2010	Q2 2010	Q3 2010
Net Income	733	704	37	135	280
Depreciation / Amortization	78	98	22	30	21
Accounts Receivable	206	(132)	436	(72)	(13)
Inventory	83	61	(50)	(14)	(132)
Accounts Payable	(236)	38	(95)	42	39
Deferred Revenue	1	66	14	23	28
Income Taxes			(4)	(4)	32
Other Cash from Operations	(3)	259	(160)	42	(51)
Cash Flow from Operations	862	1,094	200	182	204
Investing Activities	(56)	(547)	64	41	(13)
Financing Activities	(808)	(161)	(43)	(333)	(138)
Exchange Rate Changes	(9)	9	(21)	(8)	10
Net Increase / (Decrease) in Cash	(11)	395	200	(118)	63
Cash at End of Period	697	1,092	1,292	1,173	1,236
Marketable Securities	276	768	701	656	662
Total Cash and Marketable Securities	973	1,860	1,993	1,829	1,898

Use of Cash, Taxes

- **Uses of cash**

- Share repurchase:

- Repurchased approximately 4.3 million shares in Q3 for approximately \$123.6 million
- \$76.9 million remains available in the authorized repurchase plan of \$300 million expiring December 31, 2011

- Continue to evaluate various acquisition opportunities

- **Taxes**

- Due to reversal of reserves following review by various tax authorities and the expiration of the statute of limitations for some reserves, we booked a \$114M tax credit.

- Excluding this one-time item, our tax rate in Q3 was approximately 22%. We expect the rate to be approximately 20% in Q4.

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