



Q4 2010 Earnings Call Webcast

February 23, 2011



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

4th Quarter Financial Highlights

Diversification of business with revenue growth and strong margin performance in outdoor/fitness, aviation, marine and auto OEM

- Traditional market segments contributed 60% of total operating income
- Reinvested key engineering resources into growth areas of the business
- Sold 6.1 million units
- Generated \$175 million of free cash flow

2010 Financial Highlights

Continued to invest and innovate - laying the foundation for future growth

- Operating income from non-auto/mobile segments of \$391 million – a 20% increase over 2009
- Sold over 16 million units
- Stable to growing global market share across our diversified product portfolio
- Generated \$738 million of free cash flow

2010 Highlights

- Full year revenue growth of 12%
- Operating income growth of 21%, from \$56 million in 2009 to \$67 million in 2010
- Market share gains across the product portfolio including OEM and retrofit
- New OEM accounts including Fairline, Gulf Craft, and Regal



2011 Outlook

- Revenue growth of 10%
- Build on the momentum of recent OEM wins – Bavaria Yachts, Tiara Yachts, Chaparral, and Robalo Boats
- Expanded technology offerings for the large boat market

Long-Term Strategic Initiatives

- Expand our OEM presence by leveraging our complete line of marine products
- Strategic alliance with Volvo Penta
- Offer superior technology for the larger boat market
- Focus on data content



2010 Highlights

- Full year revenue growth of 7%
- Operating income growth of 24%, from \$58 million in 2009 to \$72 million in 2010
- Introduction of G5000 for the high end business jet market (Part 25 market)
- Addressable market growth with retrofit solutions for Cessna Citation Jet and King Air 200



2011 Outlook

- Revenue growth of 5%
- New product introductions
- Expand presence in high-end business jet market

Long-Term Strategic Initiatives

- Continued development of G3000 and G5000 with OEM partners
- Capitalize on retrofit opportunities created by the G500, G600, G1000 and G3X product lines
- Further expansion of market share in the helicopter market
- Capitalize on opportunities with the FAA's NextGen transformation of the National Airspace System (NAS)



2010 Highlights

- Full year revenue growth of 19%
- Operating income growth of 18%, from \$212 million in 2009 to \$251 million in 2010
- Delivery of key value-priced fitness devices to expand addressable market while leading the market for high-performance devices
- MetriGear acquisition to expand our product portfolio in cycling

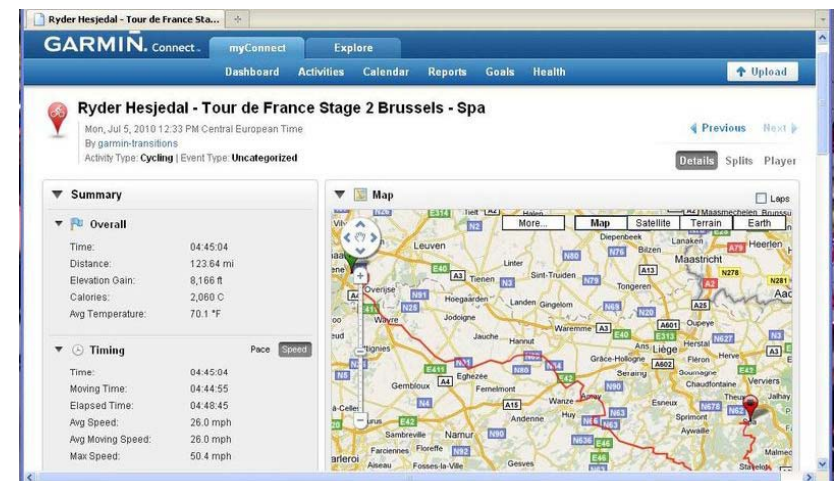
2011 Outlook

- Revenue growth of 5% in outdoor and 25% in fitness
- Launch of GTU 10 and Garmin Tracker; product updates across the outdoor portfolio
- Further penetration of fitness markets with a full pipeline of innovative products

Outdoor / Fitness

Long-Term Strategic Initiatives

- Outdoor: Identify and capitalize on adjacent niche markets
- Outdoor: Grow market share in global golf market
- Fitness: Utilize our unique asset base including devices, connectivity, measurement sensors and web portal to expand leadership in GPS-enabled fitness
- Fitness: Capitalize on and invest in Garmin Connect; leveraging applications to compliment our capabilities
- Fitness: Capture the cycling market



2010 Highlights

- Launch of the Nüvi 37XX series as a flagship device
- Market share growing globally
- Production launch of Chrysler navigation solution



Automotive OEM

2010 Highlights

- Delivery of Garmin navigation to Chrysler began in 3rd quarter
- Delivery of Garmin navigation to Hyundai Australia began in December 2010
- Cutting-edge features and functions into an integrated dashboard in a cost-effective manner
- Improved user experience leading to higher than industry average take rates



Automotive / Mobile

2011 Outlook



- Revenue decline of approximately 20%
- Continued growth in auto OEM with growing volumes to Chrysler and Hyundai
- Market share stability with profitable growth in EMEA and APAC

Long-Term Strategic Initiatives



- Maintain PND market leadership while maximizing profitability
- Expand Auto OEM business as navigation becomes an integral part of the dashboard
- Leverage our broad OEM product offerings and capabilities through both hardware and software

2011 Guidance

	2011
Revenue	\$2.4 – 2.5 B
Gross Margin	50 – 51%
Operating Income	\$500 – 560
Operating Margin	21 – 22%
EPS (Pro Forma)	\$2.25 – 2.50

2011 Dividend Update – Seeking shareholder approval of \$2.00 per share, \$1.60 distributed in 2011 and \$0.40 distributed in Q1 of 2012



Financial Update

Kevin Rauckman
CFO and Treasurer

Q4 Income Statement

(\$ Millions)	Q4 2010	Q4 2009	Change
Revenue	\$838	\$1,059	(21%)
Gross Profit	380	487	(22%)
Gross Margin %	45.3%	46.0%	(70 bps)
Advertising	44	52	(15%)
SG&A	79	71	11%
R&D	72	72	0%
Total Operating Expense	195	195	0%
Operating Income	185	292	(37%)
Operating Margin %	22.1%	27.6%	(550 bps)
Other Income/(Expense)	(28)	0	N/A
Income Tax	24	14	71%
Net Income	133	278	(52%)
EPS (GAAP)	\$0.68	\$1.38	(51%)
Pro-Forma EPS (excl. FX)	\$0.83	\$1.43	(42%)
Units Shipped (k)	6,084	6,649	(8%)

FY 2010 Income Statement

(\$ Millions)	2010	2009	Change
Revenue	\$2,690	\$2,946	(9%)
Gross Profit	1,346	1,444	(7%)
Gross Margin %	50.0%	49.0%	100 bps
Advertising	145	155	(6%)
SG&A	288	264	9%
R&D	277	238	16%
Total Operating Expense	710	657	8%
Operating Income	637	787	(19%)
Operating Margin %	23.7%	26.7%	(300 bps)
Other Income/(Expense)	(59)	23	N/A
Income Tax	(7)	105	N/A
Net Income	585	705	(17%)
EPS (GAAP)	\$2.95	\$3.50	(16%)
Pro-Forma EPS (excl. FX/Tax)	\$2.83	\$3.53	(20%)
Units Shipped (k)	16,034	16,674	(4%)

Pro Forma Net Income

	13-Weeks Ended		52-weeks Ended	
	December 25, 2010	December 26, 2009	December 25, 2010	December 26, 2009
Net Income (GAAP)	\$132,907	\$278,408	\$584,603	\$703,950
Foreign currency (gain) / loss, net of normalized tax effect:	\$28,687	\$10,022	\$74,383	\$5,258
One-time tax adjustment	-	-	(\$98,737)	-
Net income (Pro Forma)	\$161,594	\$288,430	\$560,249	\$709,208
Net income per share (GAAP):				
Basic	\$0.68	\$1.39	\$2.97	\$3.51
Diluted	\$0.68	\$1.38	\$2.95	\$3.50
Net income per share (Pro Forma):				
Basic	\$0.83	\$1.44	\$2.84	\$3.54
Diluted	\$0.83	\$1.43	\$2.83	\$3.53
Weighted average common shares outstanding:				
Basic	194,043	200,385	196,979	200,395
Diluted	194,858	201,584	198,009	201,161

Note: Tax effects are based on respective periods' effective tax rate.

Deferred Revenue Impact

Deferred Revenue Impact*	2009	2010	2011E
Sales (\$M)	(\$66)	(\$131)	(\$163)
Operating Income (\$M)	(\$53)	(\$100)	(\$127)
Net Income (\$M)	(\$46)	(\$84)	(\$102)
EPS	(\$0.23)	(\$0.42)	(\$0.53)

*All figures are net of current year amortization

Revenue by Segment

(\$ Millions)	Q4 2010	Q4 2009	Change
Auto / Mobile	\$559	\$812	(31%)
Outdoor / Fitness	171	149	15%
Aviation	71	64	11%
Marine	37	34	9%
Total Revenue	838	1059	(21%)

(\$ Millions)	2010	2009	Change
Auto / Mobile	\$1,668	\$2,054	(19%)
Outdoor / Fitness	560	469	19%
Aviation	263	245	7%
Marine	199	178	12%
Total Revenue	2,690	2,946	(9%)

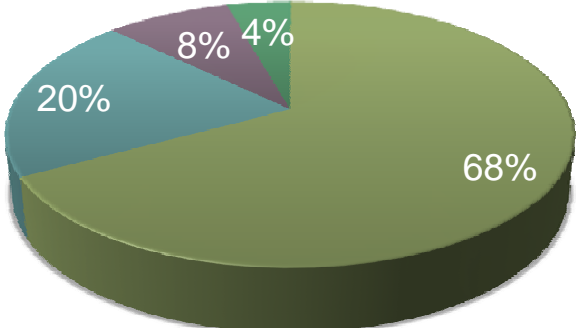
Revenue by Geography

(\$ Millions)	Q4 2010	Q4 2009	Change
North America	\$537	\$768	(30%)
Europe	235	246	(4%)
Asia Pacific	66	45	46%
Total Revenue	838	1,059	(21%)

(\$ Millions)	2010	2009	Change
North America	\$1,647	\$1,972	(17%)
Europe	823	824	(0%)
Asia Pacific	220	150	47%
Total Revenue	2,690	2,946	(9%)

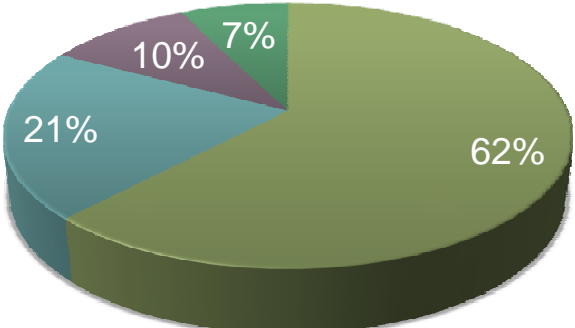
Revenue by Segment

Q4 2010



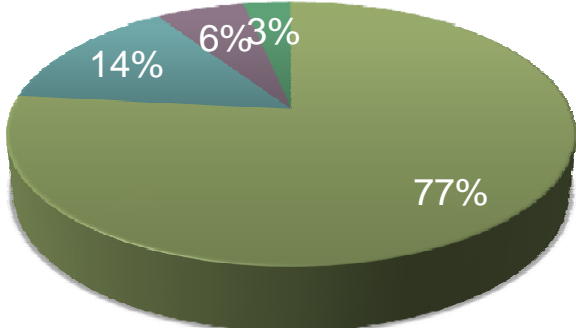
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

2010



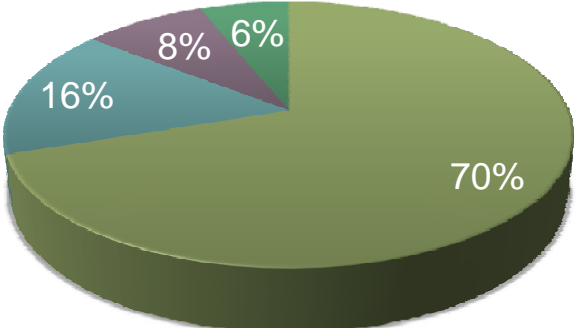
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Q4 2009



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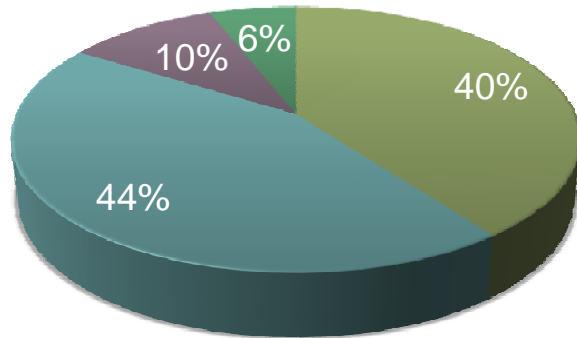
2009



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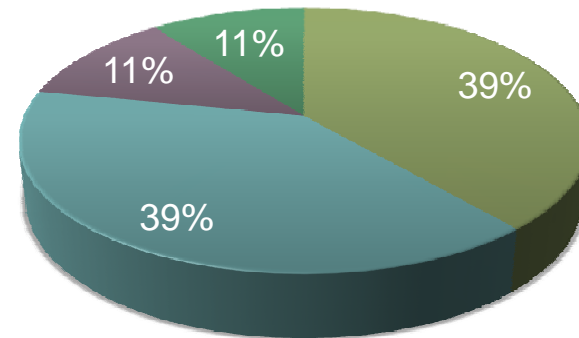
Operating Income by Segment

Q4 2010



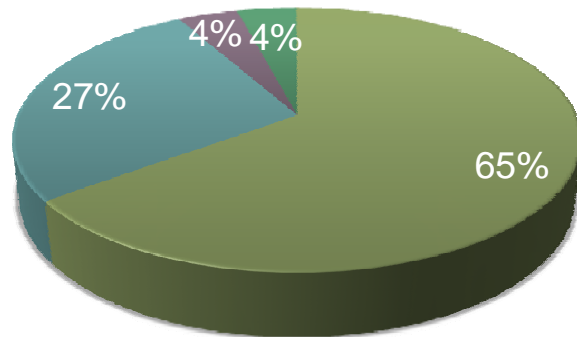
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2010



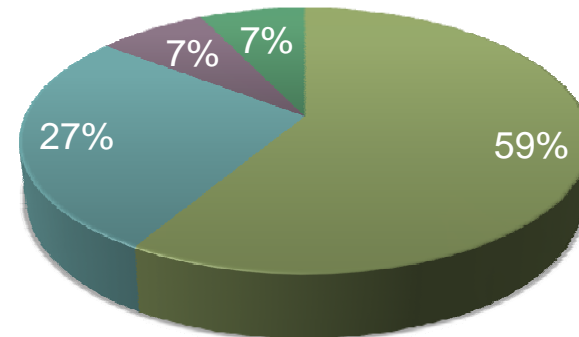
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

Q4 2009



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

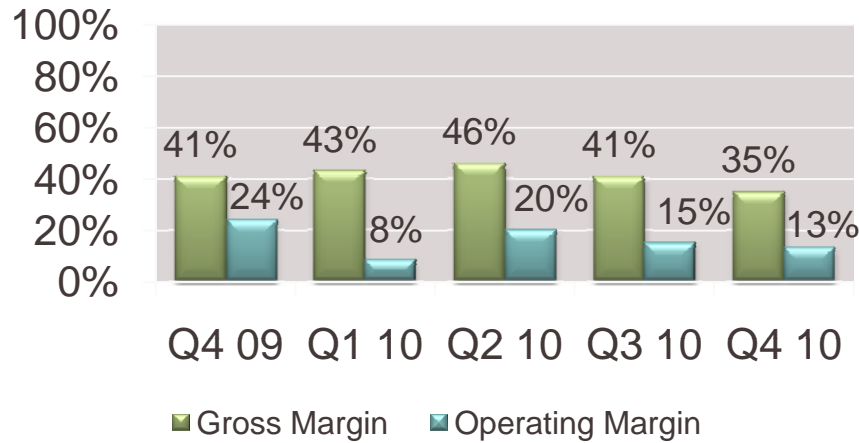
2009



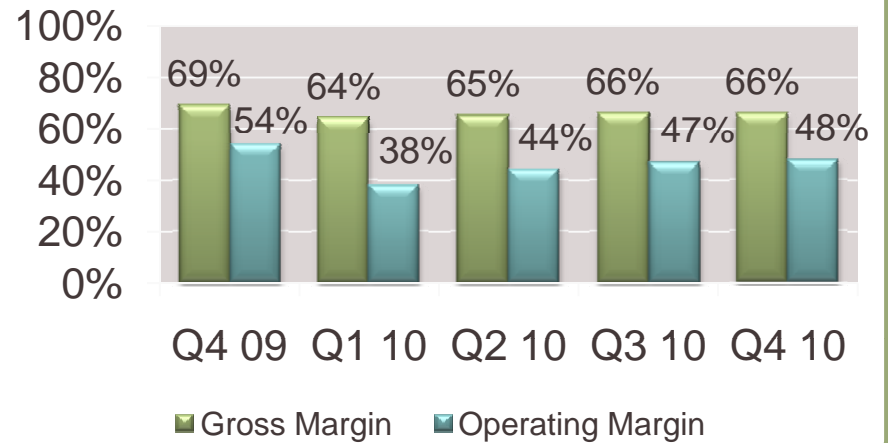
■ Auto/Mobile ■ Outdoor/Fitness ■ Aviation ■ Marine

Margin by Segment

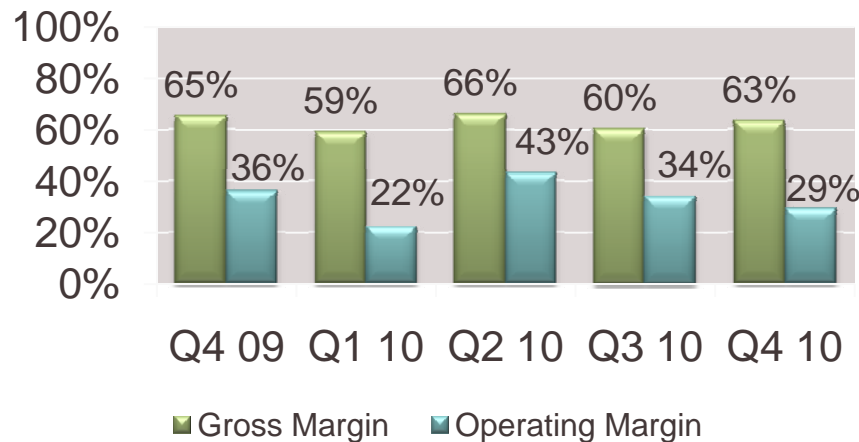
Auto / Mobile



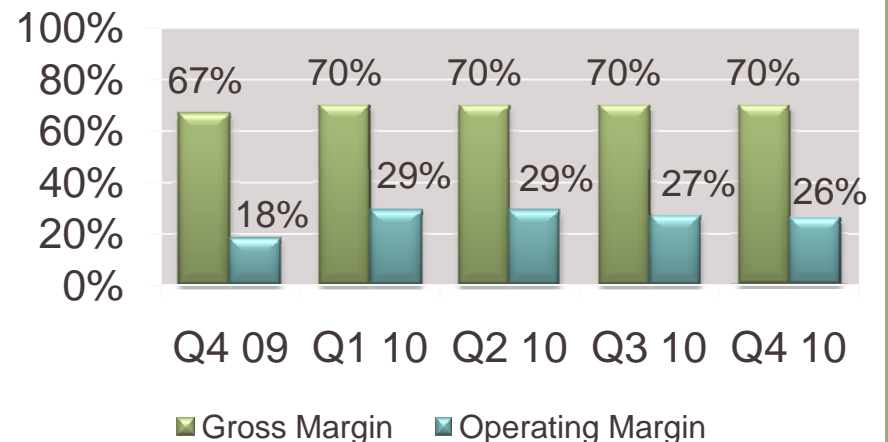
Outdoor / Fitness



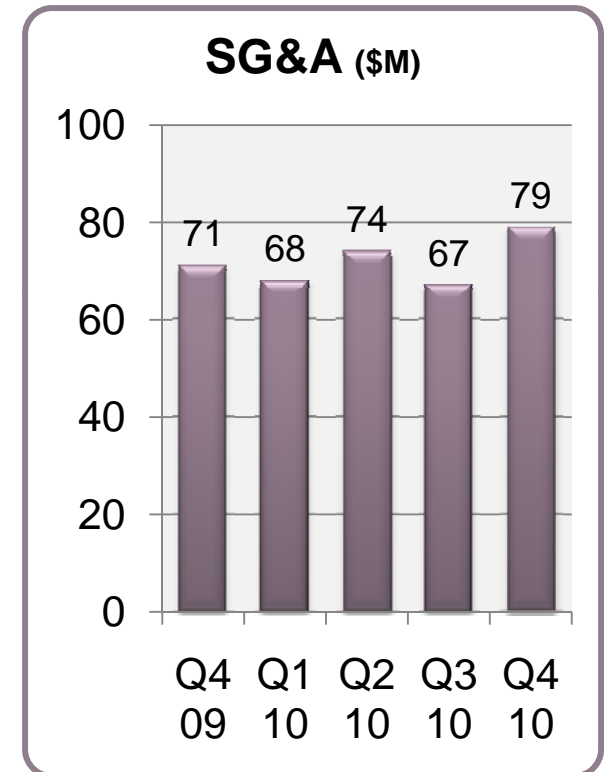
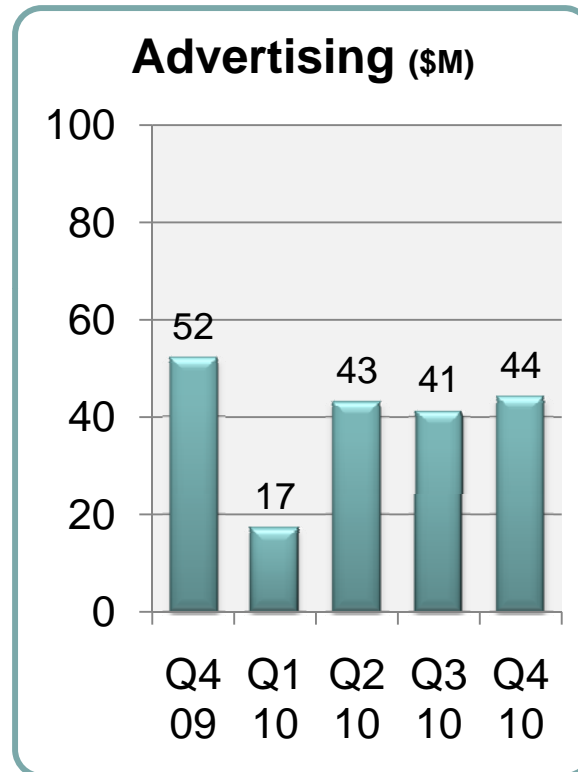
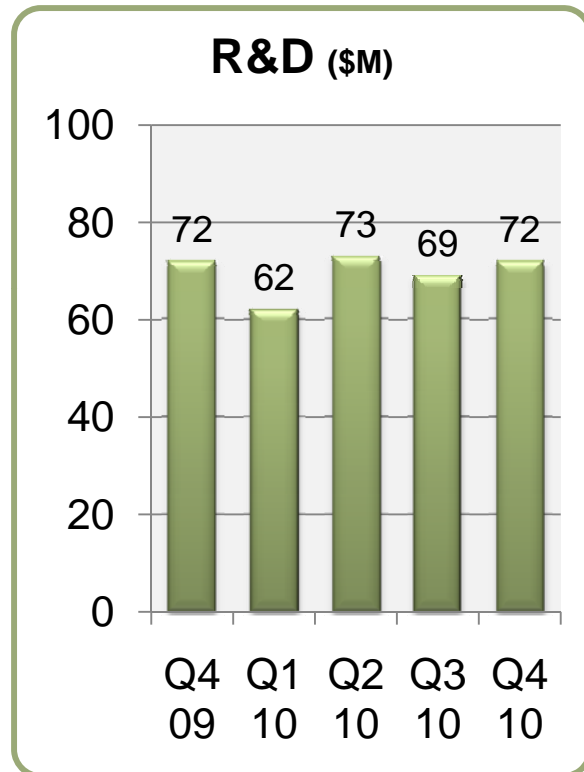
Marine



Aviation



Operating Expenses



Q4 Balance Sheet

(\$ Millions)	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Cash & Marketable Securities	1,860	1,993	1,829	1,898	2,063
Accounts Receivable	874	419	499	525	747
Inventory	310	356	359	494	388
Deferred Income Taxes	80	81	78	79	107
Prepaid Assets	39	63	53	36	25
Property, Plant & Equipment	441	433	427	428	428
Other Assets / Goodwill	222	207	186	198	231
Total Assets	3,826	3,552	3,431	3,658	3,989
Accounts Payable	203	110	151	195	132
Other Accrued Liabilities	431	209	229	272	387
Income Taxes Payable	279	286	287	198	210
Dividend Payable	-	300	-	-	-
Deferred Revenue	67	81	104	132	198
Deferred Income Taxes	10	11	9	11	12
Shareholders Equity	2,836	2,555	2,651	2,850	3,050
Total Liabilities / Equity	3,826	3,552	3,431	3,658	3,989

Cash Flow

(\$ Millions)	FY 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	FY 2010
Net Income	704	37	135	280	133	585
Depreciation / Amortization	98	22	30	21	22	95
Accounts Receivable	(132)	436	(72)	(13)	(221)	130
Inventory	61	(50)	(14)	(132)	119	(77)
Accounts Payable	38	(95)	42	39	(67)	(81)
Deferred Revenue	66	14	23	28	66	131
Income Taxes		(4)	(4)	32	28	52
Other Cash from Operations	259	(160)	42	(51)	105	(64)
Cash Flow from Operations	1,094	200	182	204	185	771
Investing Activities	(547)	64	41	(13)	(165)	(73)
Financing Activities	(161)	(43)	(333)	(138)	3	(511)
Exchange Rate Changes	9	(21)	(8)	10	1	(18)
Net Increase / (Decrease) in Cash	395	200	(118)	63	24	169
Cash at End of Period	1,092	1,292	1,173	1,236	1,260	1,260
Marketable Securities	768	701	656	662	802	802
Total Cash and Marketable Securities	1,860	1,993	1,829	1,898	2,062	2,062

Uses of Cash, Taxes

Uses of Cash

- Expect continued strong free cash flow generation in 2011
- Dividend of \$2.00 per share; \$1.60 distributed in 2011 and \$0.40 distributed in Q1 of 2012
- Increased focus on tuck-in technology acquisitions

Taxes

- Tax rate was 15% for fourth quarter and 15.8% for the full year when normalized. We expect the rate to be 18-22% in 2011.

2011 Guidance

	2011
Revenue	\$2.4 – 2.5 B
Gross Margin	50 – 51%
Operating Income	\$500 – 560
Operating Margin	21 – 22%
EPS (Pro Forma)	\$2.25 – 2.50

Segment Revenue	Growth
Auto / Mobile	(20%)
Outdoor	5%
Fitness	25%
Marine	10%
Aviation	5%

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GARMIN.