

Transcript of Garmin-Asus Announcement

February 4, 2009

Participants

Cliff Pemble, President & COO
Kevin Rauckman, CFO & Treasurer
Kerri Thurston, Investor Relations Officer

Presentation

Operator

Greetings and welcome to the Garmin announcement. At this time, all participants are in a listen-only mode. A brief question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press *0 on your telephone keypad. As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Ms. Kerri Thurston. Thank you Ms. Thurston, you may begin.

Kerri Thurston – Garmin Limited - Investor Relations Officer

Good morning. We'd like to welcome you to a special call to discuss our press release issued this morning announcing a strategic alliance between Garmin and ASUS. Please note a copy of the press release concerning this call is available at Garmin's investor relations site on the internet at www.garmin.com/stock. Additionally, this call is being broadcast live on the internet. Please note that this webcast does include slides which can be viewed during the call. This call will include projections and other forward-looking statements regarding Garmin Limited and its business. Any statements regarding our future financial position, revenues, earnings, market share, product introductions, future demand for our products and objectives are forward-looking statements. The forward looking events and circumstances discussed in this call may not occur and actual results could differ materially as a result of risk factors affecting Garmin. Information concerning these risk factors is contained in our form 10K for the fiscal year ended December 29th, 2007 filed with the Securities and Exchange Commission.

Attending on behalf of Garmin Limited this morning are: Cliff Pemble, President and Chief Operating Officer; Kevin Rauckman, Chief Financial Officer and Treasurer. Our chairman and CEO, Dr. Min Kao is in Taiwan today as he participated in a joint press conference with Jonney Shih, CEO of ASUSTeK, earlier today. At this time I would like to turn the call over to Cliff Pemble.

Cliff Pemble – Garmin - President & COO

Good morning. As you have see from our press release this morning, Garmin has entered into an exciting alliance with ASUS, a leader in the computing electronics and IT industry and a strong contender in the development of mobile phone devices and wireless technology. As separate companies, Garmin and ASUS have developed many individual strengths and capabilities. In this alliance, we blend those individual strengths and capabilities through a common mission and a shared passion to serve more customers with our products.

Location is the central awareness surrounding the activity of everyday life. Where are you? Where can we meet? When will you be there? Where can I find the best local cuisine? What is going on around me? These questions and more are asked by people every day. Our goal in this alliance is to answer in a way that is natural, intuitive and enjoyable for every customer. There are some very strong reasons to enter into this alliance. By leveraging our complementary resources and expertise, we can jointly develop, manufacture, market, distribute and support unique co-branded devices which can leverage the scale and capability of both organizations. By working together, we will be able to develop better products and improve our time to market while leverage each other's scale of operations to lower costs.

The mission of our Garmin-Asus alliance is simple. We will contribute our individual resources and expertise in order to create a diverse line of easy to use, location centric handsets, even though we are two different companies, we share a common desire to provide our customers with the highest level of service, quality, innovation and performance and we share a common vision to provide appealing location centric functionality to a broad set of mobile customers. As most of you are aware, the market for GPS enabled smart phones is already quite large and the smart device category is a bright spot in the overall handset market which is forecast to decline during 2009 due to penetration and generally negative market conditions. According to Canalys, sales of GPS enabled smart phones in North America are expected to grow approximately 85% over the next three years and in Europe, the trends are also strong with expected growth of approximately 68% during 2009 alone. Clearly the GPS enabled smart phone market is an attractive growth opportunity and the Garmin-Asus alliance is strongly positioned to benefit from this growth.

The nature of our alliance is highly collaborative. Our common goal is design, build and market a line of smart mobile devices which will bear the nüvifone name. The alliance leverages the core competencies of each organization. ASUS is contributing their strong mobile telephony platform expertise and Garmin is contributing our industry-leading navigation and location-based service technologies. This alliance will generate immediate benefit through the creation of devices which are highly integrated and can be brought to market faster. In fact, we will be announcing additional nüvifone models during 2009 with our next announcement taking place at the upcoming Mobile World Congress.

As I just mentioned, each company brings its complimentary resources to the alliance with the common goal of creating industry-leading location enabled devices. While other companies struggle to differentiate, Garmin-Asus will innovate by leveraging each other's strengths and capabilities. When considering our combined strengths, we believe that there are few mobile phone brands that can match our portfolio of talent and innovations in the mobile space. Garmin and ASUS share corporate cultures that are closely aligned in philosophy and vision and we also share common passion to serve customers.

Garmin and ASUS are two companies that have a proven track record of innovation and leadership in our respective markets. Garmin is a global leader providing application-specific devices which are enabled by the global positioning system. While we are a leader in each market we serve, most notably, we leave the global PND market which has been our proving ground for developing innovated and location-based features and capabilities. ASUS is also a global leader in the design and manufacturing of computing and IT electronics. Over the years, ASUS has been investing in the development of mobile computing platforms including wireless technologies and is a strong contributor to essential intellectual property associated with 3G wireless communications. Both companies have a strategic presence in Taiwan where ASUS is

head-quartered and listed on the Taiwan stock exchange. As you know, Garmin operates three separate manufacturing and engineering facilities in Taiwan. Both companies have a world-wide presence through marketing, selling, distributing and supporting our respective products around the globe.

In considering this opportunity, Garmin and ASUS recognize that today's mobile phone is a device designed around voice and data communication. Each application on the device performs functions independently of others. The integration of functionality is sporadic at best and often doesn't exist at all. Most functions are built as vertical silos of information that only one application can use. On today's mobile phones, navigation is one of those discrete applications. It is useful on its own but does not share information with other phone applications and it doesn't offer the breadth of features in location awareness that users are asking for.

Garmin and ASUS view the mobile phone platform differently. We believe that location is an essential ingredient that should be utilized in nearly every function that the device can perform. In doing so, we make it easy for the user to find powerful answers to those questions of every day life. Where are you? I am at a pub at 4th and Main. Where can we meet? How about the Thai restaurant just two blocks from your office. When you will be there? In only ten minutes because I avoided rush-hour traffic. Where can I find the best local cuisine? Customers give the new seafood restaurant a five star rating in every category. What is going on around me? There is a great concert Saturday at the Arena. In short, Garmin-Asus devices will help people navigate life and make it more interesting, fun and efficient.

A little over a year ago, Garmin introduced the nüvifone concept. Our goal was to create a unique device blending the best of three important functions: a state of the art, easy to use phone featuring touch-screen technology; a premium navigation device; a mobile computing device with browser and email which are enabled by 3G wireless connectivity. While we have only unveiled one device, the nüvifone line will soon expand into a family of LBS-centric smart phone devices. These devices are expected to appeal to a broad range of customers including travelers, commuters, career oriented individuals seeking a new way to socialize and stay connected and technology enthusiasts who demand the very latest in features and performance. While these user groups have seemingly different attributes, one common attribute is the need for location awareness.

In the short term, you will see some changes to our mobile phone approach, starting with the model we introduced last year. This phone will be branded as the first Garmin-Asus product and will carry the G60 model designation. In addition to the G60, we will introduce an exciting new nüvifone model at the upcoming mobile world congress in Barcelona. The G60 along with this latest nüvifone model will quickly demonstrate the power of the Garmin-Asus alliance. And looking beyond mobile world congress, we look forward to introducing additional nüvifone models during the course of 2009 and beyond.

We anticipate that you will have many questions surrounding the details of the Garmin-Asus alliance. While we will be unable to share many specifics during today's call, broadly speaking, it encompasses these attributes. The alliance is a contractual marketing and branding agreement with profit sharing. We are not creating any independent entity or joint venture, nor is this a merger or an acquisition. Each company contributes its resources in order to create location-enabled mobile phone platforms and each company provides its contribution exclusively to the other in this market segment. Companies will share responsibility for distributing the co-branded

products by geography and each company will continue to independently develop and market products in other segments.

Along with the announcement of our alliance, Garmin and ASUS have launched our flagship website which tells the story of our alliance, the markets we will serve and the product direction we will pursue. We invite you to visit our website at GarminAsus.com.