



Q1 2013 Earnings Call Webcast

May 1, 2013



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 filing by Garmin Ltd. with the U.S. Securities and Exchange Commission in its Annual Report on Form 10-K. 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 CEO

1st Quarter Financial Review

Solid first quarter margin performance with revenue growth in highly profitable segments

- Traditional market segments contributed 52% of total revenue
- Gross margin improved to 52% due to segment mix and improving auto/mobile gross margin
- Operating margin of 15% with traditional markets contributing 75% of total operating income
- Sold 2.5 million units with growth in fitness, aviation, and outdoor

1st Quarter Review

- Revenue decline of 10% with ongoing margin pressure causing operating loss in quarter
- Aging product lineup, lingering winter weather and macroeconomic uncertainty are contributors

Market/Product Update

- GPSMAP 8000 glass helm series significantly enhances Garmin's innovative position in the market
- Committed to return to profitability



1st Quarter Review

- Revenue and operating income growth of 10% and 22%, respectively
- Continued share gains in the helicopter market (Enstrom 480B)
- Delivery of industry leading ADS-B product offerings



Market/Product Update

- Light business jet market demand remains under pressure
- Multiple ongoing certifications with increased R&D investment
- Innovations within experimental and application market continue



1st Quarter Business Review

- Revenue declined 1% with margin compression further pressuring operating income
- Seasonally weak quarter with limited new product delivery



Market/Product Update

- Opportunity to grow through new product deliveries, market share gains and expansion into adjacent markets



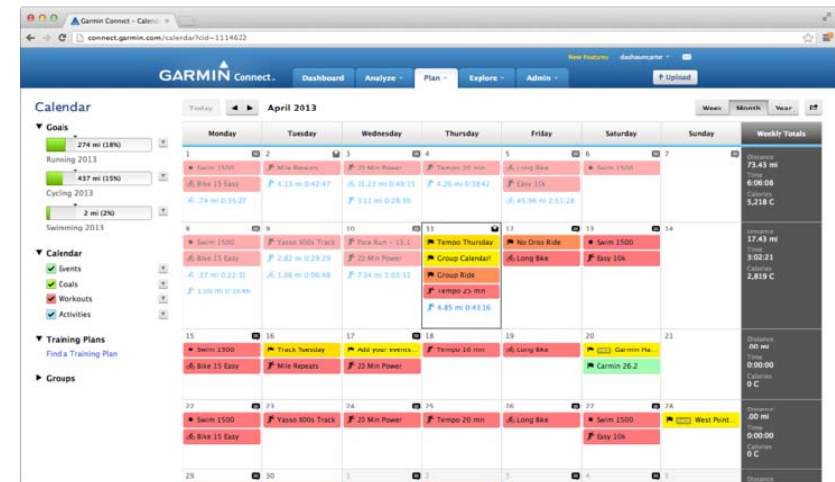
1st Quarter Business Review

- Revenue growth of 2% as new cycling products performed well
- Continue to enhance Garmin Connect with improved social features and training plans



Market/Product Update

- Addressable market continues to grow with participation in endurance events growing
- New adjacent market opportunities in focus for 2013/14



Automotive/Mobile

1st Quarter Business Review

- Revenue decline of 10% as the PND market performed as expected; partially offset with strong OEM growth
- Managing business accordingly to ensure long-term profitability

Market/Product Update

- Continue to expect PND unit declines of approximately 20% globally
- Focus on essential PND features that enhance driving experience and OEM success with superior integration and user experience



Mercedes-Benz Announcement

- Garmin branded navigation solution will be included in most Mercedes-Benz models ramping steadily over the next four years
- Software solution providing seamless integration and intuitive experience for the driver including 2nd display behind the steering wheel
- Provides underlying engine for Advanced Driver Assistance functions of the vehicle





Financial Update

Kevin Rauckman
CFO and Treasurer

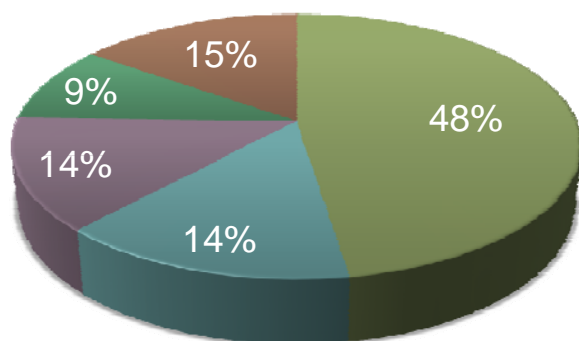
Q1 Income Statement

(\$ Millions)	Q1 2013 Actual	Q1 2012 Actual	Change
Revenue	\$532	\$557	(4%)
Gross Profit	276	284	(3%)
Gross Margin %	52%	51%	90 bps
Advertising	22	24	(6%)
SG&A	86	90	(4%)
R&D	88	80	10%
Total Operating Expense	196	193	1%
Operating Income	80	90	(12%)
Operating Margin %	15%	16%	(120 bps)
Other Income/(Expense)	2	9	
Income Tax	(7)	13	
Net Income (GAAP)	89	87	2%
Net Income (Pro-Forma)	80	89	(10%)
EPS (GAAP)	\$0.45	\$0.44	2%
EPS Pro-Forma (excl. FX/Taxes)	\$0.40	\$0.45	(11%)
Units Shipped (k)	2,491	2,717	(8%)

Q1 Revenue

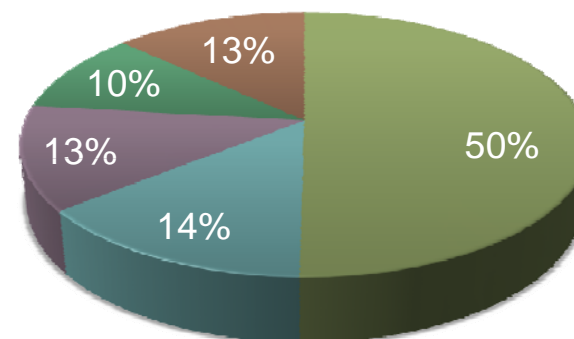
Revenue by Segment			
(\$M)	Q1 2013	Q1 2012	Growth
Auto / Mobile	\$253	\$280	(10%)
Outdoor	\$76	\$77	(1%)
Fitness	\$72	\$71	2%
Marine	\$50	\$56	(10%)
Aviation	\$81	\$73	10%
Total	\$533	\$557	(4%)

Q1 2013 Revenue



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

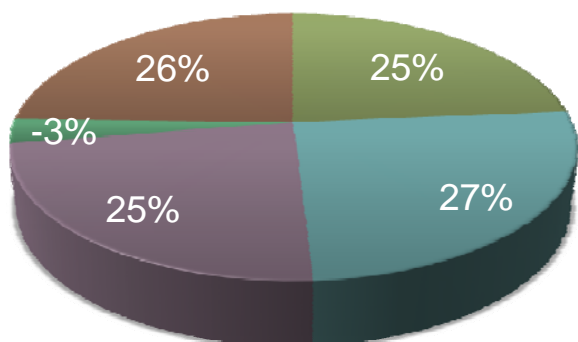
Q1 2012 Revenue



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

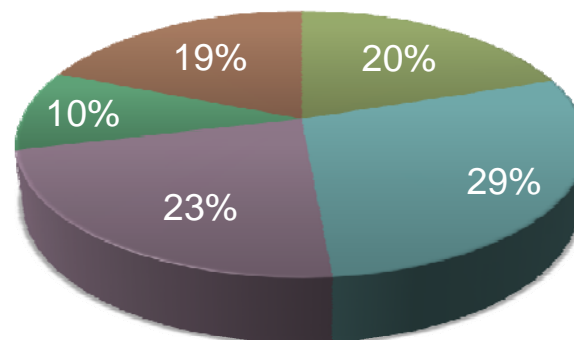
Q1 Operating Income

Q1 2013 Operating Income



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

Q1 2012 Operating Income



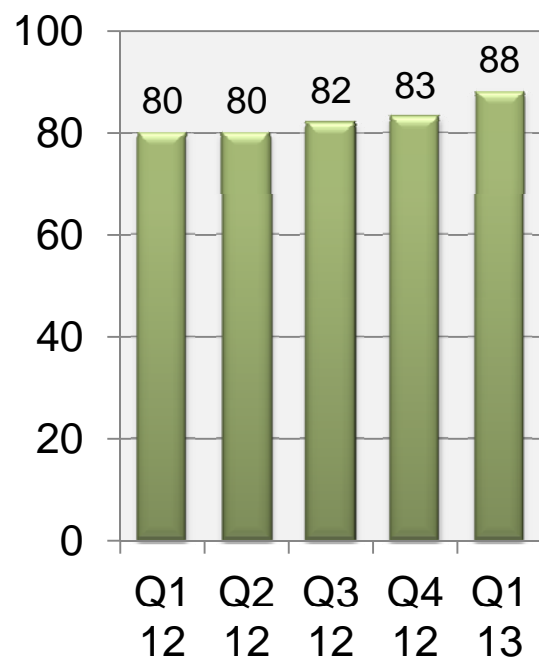
■ Auto/Mobile ■ Outdoor ■ Fitness ■ Marine ■ Aviation

Margin Review

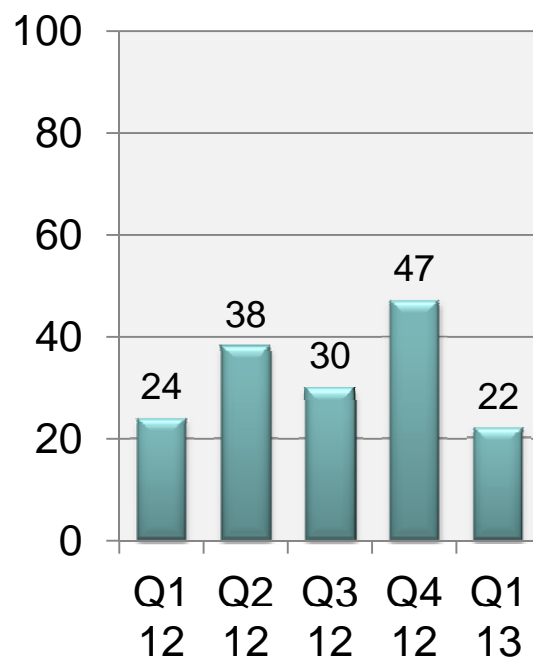
- Gross Margin % improvement driven primarily by auto/mobile and aviation with partially offsetting decline in marine
- Operating Margin % decline driven by increased R&D
- Outdoor and marine operating margin negatively impacted by revenue decline coupled with increased operating expenses

Operating Expenses

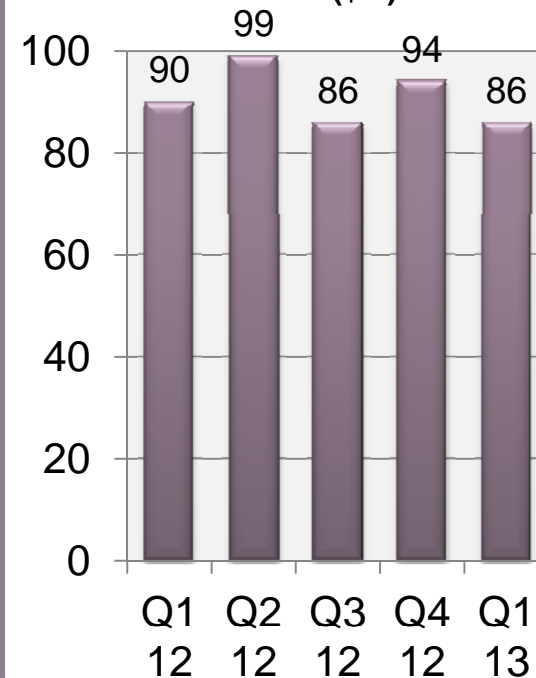
R&D (\$M)



Advertising (\$M)



SG&A (\$M)



Balance Sheet / Cash Flow

Balance Sheet

- Ended quarter with over \$2.7 billion of cash and marketable securities
- Accounts receivable declined as expected following seasonally strong Q4
- Inventory balance increased slightly in preparation for seasonal strength in Q2

Cash Flow

- Continued strong cash flow with \$59 million of operating cash and \$48 million of free cash flow
- Operating cash negatively impacted by \$41 million tax prepayment that will be reimbursed in Q2
- Paid both Dec 31 and Mar 31 dividend in Q1 resulting in declining cash balance

Taxes / Share Repurchase / Guidance

Taxes

- Tax rate was (8.6%) for Q1 2013 compared to 12.8% in Q1 2012; adjusted rate was 11.6% when eliminating releases of reserves associated with statute of limitations and completion of audits

Share Repurchase

- No stock repurchases were completed in Q1 but we do expect to be in the market during Q2

Guidance

- Maintain guidance of \$2.5B- \$2.6B of revenue and \$2.30-\$2.40 of pro forma EPS; 2013 update by segment to be provided after Q2

Q1 2013 Earnings Call Webcast

May 1, 2013



GARMIN.

Appendix

May 1, 2013



GARMIN.

Pro Forma Net Income

Garmin Ltd. And Subsidiaries
Net income per share (Pro Forma)
(in thousands, except per share information)

	13-Weeks Ended	
	March 30, 2013	March 31, 2012
Net Income (GAAP)	\$88,666	\$86,858
Foreign currency loss, net of adjusted tax rate	\$7,377	\$1,735
Income tax benefit due to completion of tax audits and/or	(\$16,536)	-
Net income (Pro Forma)	\$79,507	\$88,593
Net income per share (GAAP):		
Basic	\$0.45	\$0.45
Diluted	\$0.45	\$0.44
Net income per share (Pro Forma):		
Basic	\$0.41	\$0.45
Diluted	\$0.40	\$0.45
Weighted average common shares outstanding:		
Basic	195,630	194,742
Diluted	196,457	195,673

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

Free Cash Flow

Garmin Ltd. And Subsidiaries Free Cash Flow (in thousands)

	13-Weeks Ended	
	March 30, 2013	March 31, 2012
Net cash provided by operating activities	\$59,363	\$122,228
Less: purchases of property and equipment	(\$11,616)	(\$5,758)
Free Cash Flow	\$47,747	\$116,470

Management believes that free cash flow is an important financial measure because it represents the amount of cash provided by operations that is available for investing and defines it as operating cash flow less capital expenditures for property and equipment.