



Q2 2011 Earnings Call Webcast

August 3, 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 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 COO

2nd Quarter 2011 Highlights

**Revenue growth of 11% in traditional segments
highlights ongoing diversification**

- Total revenue down 8%
- Traditional market segments contributed 46% of total company revenue and 81% of total company operating income
- Pro forma EPS of \$0.63
- Sold 3.8 million units
- Generated \$196 million of free cash flow

2nd Quarter Business Highlights

- Revenue growth of 6%
- Launch of Echo fishfinder series

Market & Product Update

- US market was flat, offset by strength in Europe and Asia
- New products enhance marine electronic suite:
 - GDL 40 Cellular Marine Weather Receiver
 - GHP 12 Autopilot



2nd Quarter Business Highlights

- Revenue growth of 13% driven by the retrofit market
- OEM market conditions remain soft
- Operating income increased 18% as revenue growth outpaced growth in operating expenses
- Aviation contributed 17% of consolidated operating income



Market/Product Update

- OEM market recovery is difficult to predict
- Certifications of new cockpits are on-schedule with entry into service starting in 2013
- G1000 retrofit available for DAHER-SOCATA TBM 700
- On track to meet or exceed full year revenue targets



2nd Quarter Business Highlights

- 1% Revenue growth ahead of launch of a series of new products
- Tri-Tronics acquisition announced and recently completed:
 - Expands product offerings to current customer base of Astro
 - Expands addressable market to include growing pet opportunities
- Tri-Tronics will add approximately \$8M to our 2011 projections



TRI-TRONICS
a GARMIN company[®]

Market/Product Update

- Capitalize on diverse niche markets served by growing portfolio of products
- Montana: 4" sunlight readable display with touchscreen, 5MP camera, and advanced features
- eTrex: upgrade and redesign of most popular handheld
- Rino: upgrade of two-way radio with GPS including 20-mile range, touchscreen, and ruggedized 5MP camera



2nd Quarter Business Highlights

- Revenue growth of 25% and continued operating income growth
- Global growth driven by new product introductions in running and cycling

Market/Product Update

- Focus on innovation in both form and function to drive global penetration and category leadership



Team Garmin-Cervélo

2011 Tour de France Accomplishments

- Best overall team and a top 10 finish by Tom Danielson
- Stage wins including: Stage 2 Team Time Trial, Tyler Farrar's 4th of July sprint victory, and Thor Hushovd's two wins in the mountains
- Thor in the yellow jersey for a full week



GARMIN.

2nd Quarter Business Highlights

- Revenue declined 19% as OEM growth was offset by revenue deferrals and declining PND market size
- Segment operating margin of 18% when normalized for \$51 million of deferred gross margin dollars with 83% margin
- Market share of greater than 60% in North America and mid-20% range in Europe
- Navigon acquisition announced and recently completed:
 - Adds approximately \$75M to 2011 revenue projections
 - OEM customers and technology
 - PND market share in Europe
 - Mobile applications

Market/Product Update

- PND market size expectations for the year unchanged with North America and Europe declining and emerging markets growing
- PND focus on global leadership in market share, technology and content offerings
- OEM opportunities continue to develop with global recognition of Garmin as a competitive vendor for both hardware and software solutions

2011 Guidance

	Full Year 2011
Revenue	\$2.5 – 2.6 B
Gross Margin	45-46%
Operating Margin	16-17%
EPS (Pro Forma)	\$2.00-\$2.15



Financial Update

Kevin Rauckman
CFO and Treasurer

Q2 Income Statement

(\$ Millions)	Q2 2011	Q2 2010	Change
Revenue	\$674	\$729	(8%)
Gross Profit	322	392	(18%)
Gross Margin %	47.8%	53.7%	(590 bps)
Advertising	34	43	(21%)
SG&A	86	74	16%
R&D	71	73	(3%)
Total Operating Expense	191	190	1%
Operating Income	132	202	(35%)
Operating Margin %	19.5%	27.7%	(820 bps)
Other Income/(Expense)	(5)	(38)	N/A
Income Tax	18	29	(38%)
Net Income	109	135	(19%)
EPS (GAAP)	\$0.56	\$0.67	(16%)
Pro-Forma EPS (excl. FX)	\$0.63	\$0.85	(26%)
Units Shipped (k)	3,756	4,001	(6%)

Pro Forma Net Income

	13-Weeks Ended		26-weeks Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Net Income (GAAP)	\$109,477	\$134,816	\$204,959	\$172,144
Foreign currency (gain) / loss, net of tax effects	\$12,588	\$35,756	\$2,261	\$73,916
Net income (Pro Forma)	\$122,065	\$170,572	\$207,220	\$246,060
Net income per share (GAAP):				
Basic	\$0.56	\$0.68	\$1.06	\$0.86
Diluted	\$0.56	\$0.67	\$1.05	\$0.86
Net income per share (Pro Forma):				
Basic	\$0.63	\$0.86	\$1.07	\$1.23
Diluted	\$0.63	\$0.85	\$1.06	\$1.23
Weighted average common shares outstanding:				
Basic	194,051	198,948	193,986	199,437
Diluted	194,875	200,102	194,801	200,626

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

Deferred Revenue Impact

Deferred Revenue Impact*	Q2 2011	Q2 2010
Sales (\$M)	(\$62)	(\$23)
Operating Income (\$M)	(\$51)	(\$19)
Net Income (\$M)	(\$44)	(\$16)
EPS	(\$0.23)	(\$0.08)

*All figures are net of current year amortization

Revenue by Segment

(\$ Millions)	Q2 2011	Q2 2010	Change
Auto / Mobile	\$363	\$447	(19%)
Outdoor	81	80	1%
Fitness	78	63	25%
Aviation	73	65	13%
Marine	79	74	6%
Total Revenue	674	729	(8%)

(\$ Millions)	YTD 2011	YTD 2010	Change
Auto / Mobile	\$627	\$668	(6%)
Outdoor	148	139	6%
Fitness	134	106	27%
Aviation	142	131	9%
Marine	131	116	13%
Total Revenue	1,182	1,160	2%

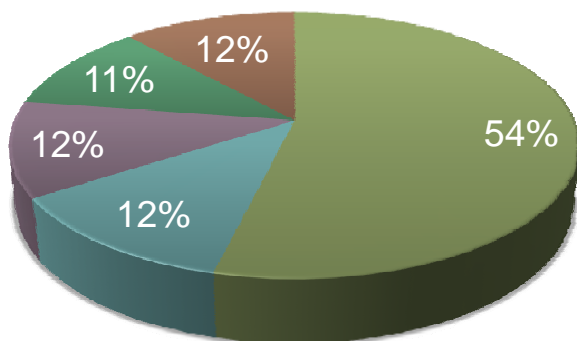
Revenue by Geography

(\$ Millions)	Q2 2011	Q2 2010	Change
North America	\$358	\$455	(21%)
Europe	253	226	12%
Asia	63	48	31%
Total Revenue	674	729	(8%)

(\$ Millions)	YTD 2011	YTD 2010	Change
North America	\$638	\$709	(10%)
Europe	424	360	18%
Asia	120	91	32%
Total Revenue	1,182	1,160	2%

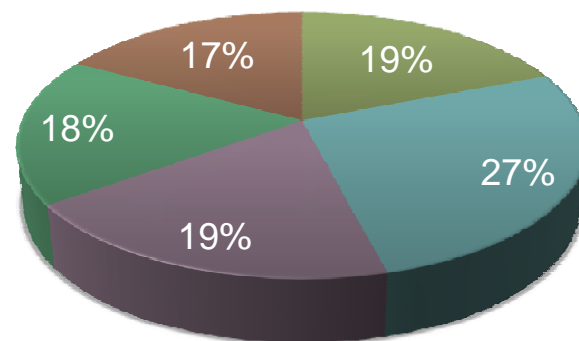
Revenue and Operating Income – Q2

Q2 2011 Revenue



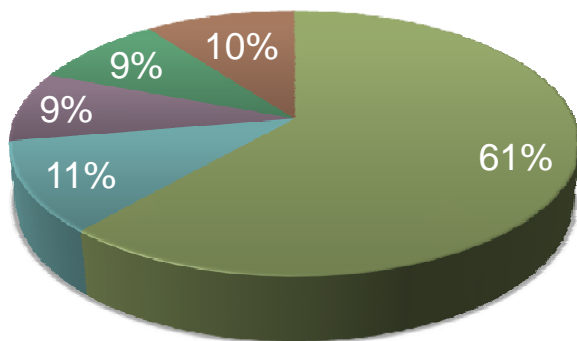
■ Auto/Mobile ■ Outdoor ■ Fitness ■ Aviation ■ Marine

Q2 2011 Operating Income



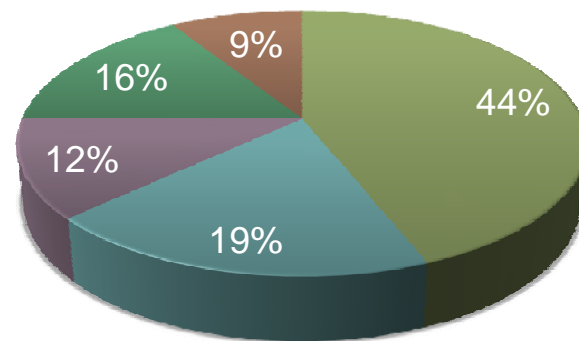
■ Auto/Mobile ■ Outdoor ■ Fitness ■ Aviation ■ Marine

Q2 2010 Revenue



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

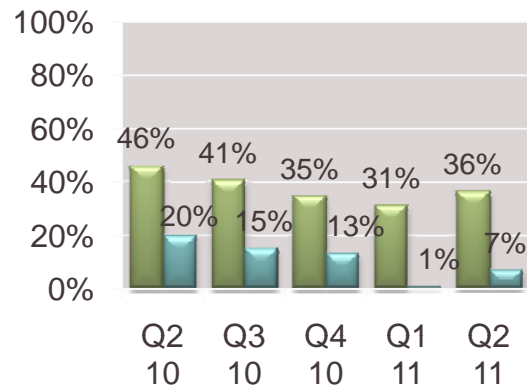
Q2 2010 Operating Income



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

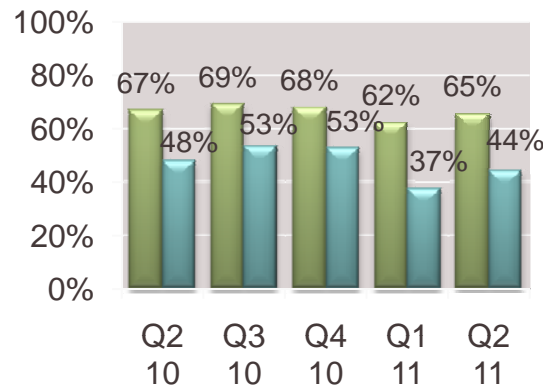
Margin by Segment

Auto / Mobile



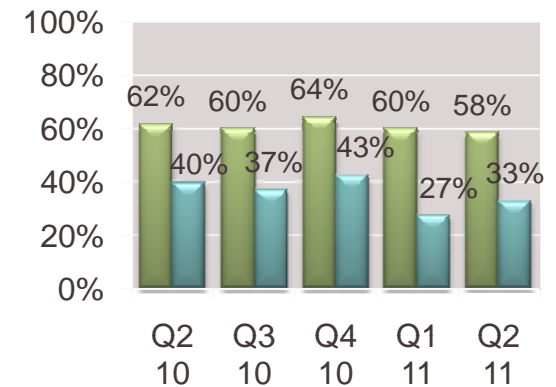
■ Gross Margin ■ Operating Margin

Outdoor



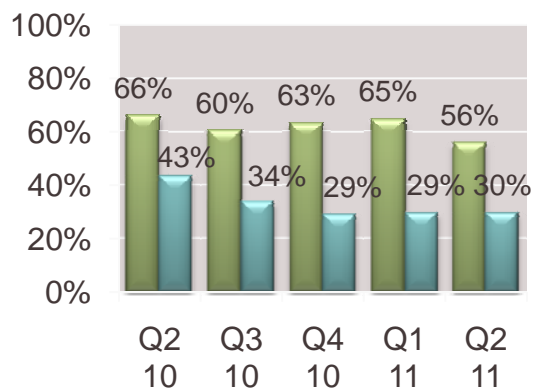
■ Gross Margin ■ Operating Margin

Fitness



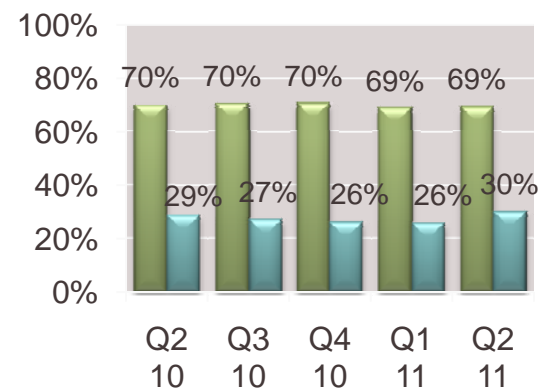
■ Gross Margin ■ Operating Margin

Marine



■ Gross Margin ■ Operating Margin

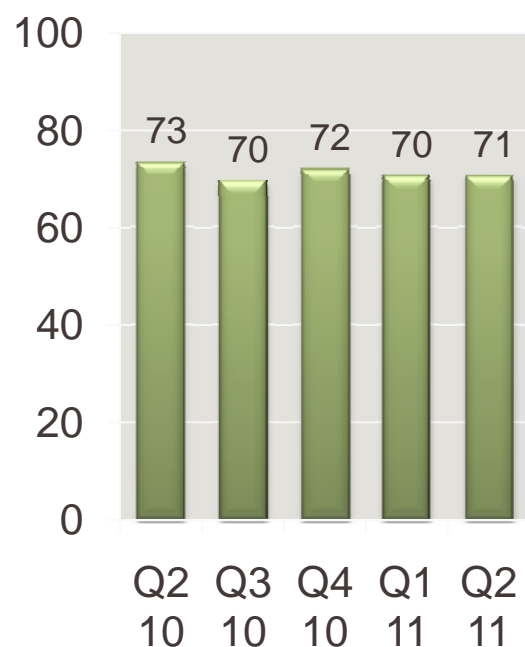
Aviation



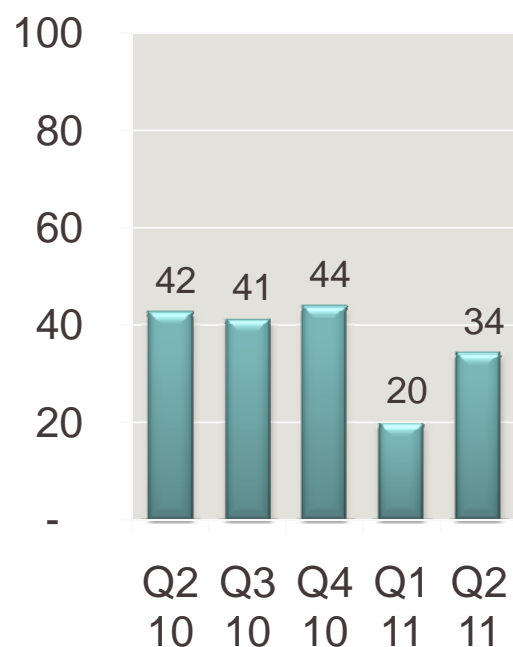
■ Gross Margin ■ Operating Margin

Operating Expenses

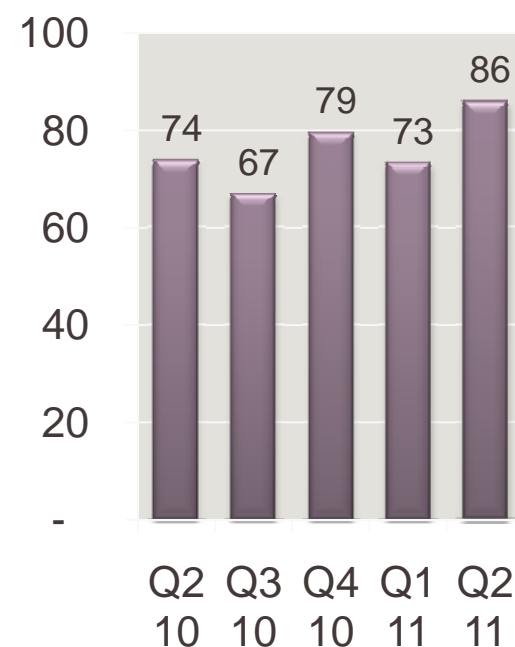
R&D (\$M)



Advertising (\$M)



SG&A (\$M)



Q2 Balance Sheet

(\$ Millions)	FY 2010	Q1 2011	Q2 2011
Cash & Marketable Securities	2,063	2,280	2,500
Accounts Receivable	747	435	493
Inventory	388	411	386
Deferred Income Taxes	107	108	101
Prepaid Assets	25	38	43
Property, Plant & Equipment	428	427	424
Other Assets / Goodwill	231	239	249
Total Assets	3,989	3,938	4,196
Accounts Payable	132	119	126
Other Accrued Liabilities	387	218	251
Income Taxes Payable	210	177	169
Dividend Payable	0	0	388
Deferred Revenue	198	220	281
Deferred Income Taxes	12	11	18
Shareholders Equity	3,050	3,193	2,963
Total Liabilities / Equity	3,989	3,938	4,196

Cash Flow

(\$ Millions)	FY 2010	Q1 2011	Q2 2011
Net Income	585	95	109
Depreciation / Amortization	95	22	16
Accounts Receivable	130	327	(62)
Inventory	(77)	(11)	32
Accounts Payable	(81)	(18)	4
Deferred Revenue	131	22	62
Income Taxes	52	(17)	(13)
Other Cash from Operations	(64)	(212)	55
Cash Flow from Operations	771	208	203
Investing Activities	(73)	(275)	0
Financing Activities	(511)	4	2
Exchange Rate Changes	(18)	13	3
Net Increase / (Decrease) in Cash	169	(50)	208
Cash at End of Period	1,260	1,210	1,418
Marketable Securities	802	1,070	1,082
Total Cash and Marketable Securities	2,062	2,280	2,500

Uses of Cash, Taxes

Uses of Cash

- Expect continued strong free cash flow generation in back half of 2011
- Dividend of \$0.80 per share paid at close of June; additional \$0.80 per share in back half
- Increased focus on acquisitions with additional niche markets and tuck-in technologies under evaluation

Taxes

- Tax rate was 13.8% for second quarter. We expect the rate to be approximately 12% in 2011.

Guidance Update

Segment Revenue	Growth
Auto / Mobile	(15%)
Outdoor	5%
Fitness	25%
Marine	10%
Aviation	5%

Deferred Revenue Impact	Original Budget	Revised Guidance	Change
Sales (\$M)	(\$162)	(\$245)	(\$83)
Operating Income (\$M)	(\$127)	(\$202)	(\$75)
Net Income (\$M)	(\$102)	(\$178)	(\$76)
EPS	(\$0.53)	(\$0.92)	(\$0.39)

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