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25 YEARS

Q2 2014 Earnings Call Webcast

July 30, 2014

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

2^{nd} Quarter Financial Review

Strong second quarter revenue and margin performance leading to 34% pro forma EPS growth

- Revenue growth of 12% with 55% of revenue contributed by non-auto/mobile segments
- Gross and operating margins of 57% and 28%, respectively
- Operating income growth of 29%
- Pro forma EPS growth of 34%; $1.02 for second quarter 2014
- Intercompany restructuring approved

Fitness

<u>2nd Quarter Business Review</u>

- Revenue growth of 79%
- Gross and operating margins of 65% and 42%, respectively
- Operating income growth of 112%

<u>Market/Product Update</u>

- vívofit gaining share in a rapidly growing product category
- Running and cycling growth across multiple price points
- R&D spending continues to grow with commitment to explore, develop and deliver innovation

Aviation

<u>2nd Quarter Business Review</u>

- Revenue growth of 11%; driven by OEM
- Gross and operating margins of 74% and 29%, respectively
- Operating income growth of 38%

<u>Market/Product Update</u>

- Cessna Citation X+ with G5000 integrated flight deck began delivery in second quarter
- Numerous certification programs continue in back half of 2014 and beyond
- Small business jet production continues to be below historical norms

Marine

<u>2nd Quarter Business Review</u>

- Revenue growth of 1% compared to strong performance in 2013
- Gross and operating margin improvement led to 23% operating income growth

<u>Market/Product Update</u>

- Acquired Fusion Electronics to broaden portfolio to include audio offerings
- Recreational marine market remains tepid

Outdoor

2nd Quarter Business Review

- Revenue declined by 1% to $106 million
- Gross and operating margins contracted due to inventory reserves and increased advertising expense

Market/Product Update

- Introduction of Approach S6 with swing analysis
- Anticipate flat revenues in outdoor due to slower than expected uptake of our VIRB products

Automotive/Mobile

2nd Quarter Business Review

- Revenue increase of 2% as PND declines were offset by amortization of deferred revenues and growth in OEM
- Profitability and market share continue to be strong

Market/Product Update

- Expect PND market to decline approximately 15-20% globally
- PND industry volume declines slowing but continue to manage the segment with a focus on profitability and market share opportunities

2014 Guidance

	2014 Update	Prior
Revenue *	$2.75 - $2.85 B	$2.6 - $2.7 B
Gross Margin	~56%	54 - 55%
Operating Income	$650 - $675 M	$530 - $565 M
Operating Margin	~24%	~21%
Tax Rate (Pro Forma)	~15%	17%
EPS (Pro Forma)	$2.95 - $3.05	$2.50 - $2.60
Free Cash Flow	$575 -$625 M	$550 -$600 M

***** Assumes EUR/USD FX rate of 1.35 in 2014

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Financial Update

Kevin Rauckman

CFO and Treasurer

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Q2 Income Statement

($ Millions)	Q2 2014 Actual	Q2 2013 Actual	Change
Revenue	**$778**	**$697**	**12%**
Gross Profit	444	384	**16%**
Gross Margin %	***57%***	***55%***	**210 bps**
Total Operating Expense	226	214	6%
Operating Income	219	170	29%
Operating Margin %	***28%***	***24%***	**370 bps**
Other Income/(Expense)	-10	37	
Income Tax	27	34	
Net Income (GAAP)	**182**	**172**	**6%**
Net Income Pro-Forma	**200**	**150**	**34%**
EPS (GAAP)	**$0.93**	**$0.88**	**8%**
EPS Pro-Forma	**$1.02**	**$0.76**	**34%**
Units Shipped (K)	3,841	3,631	6%

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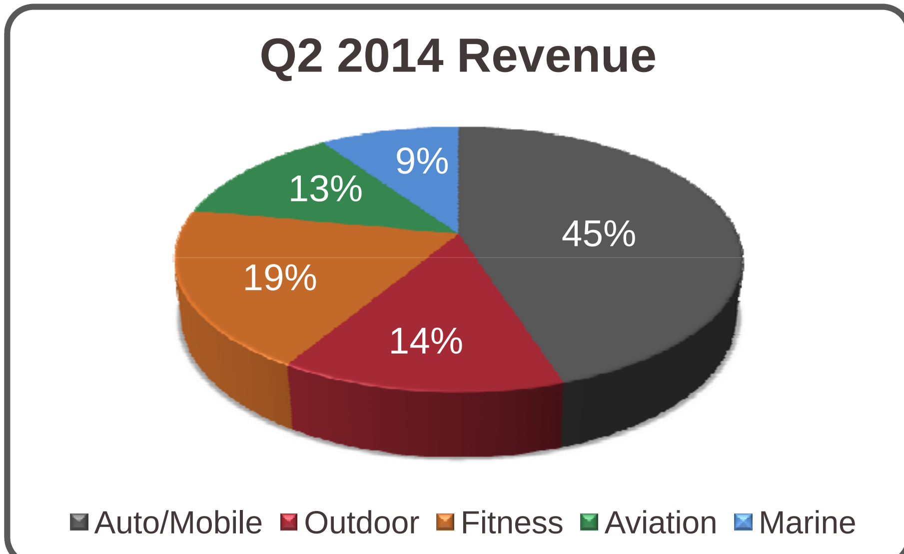
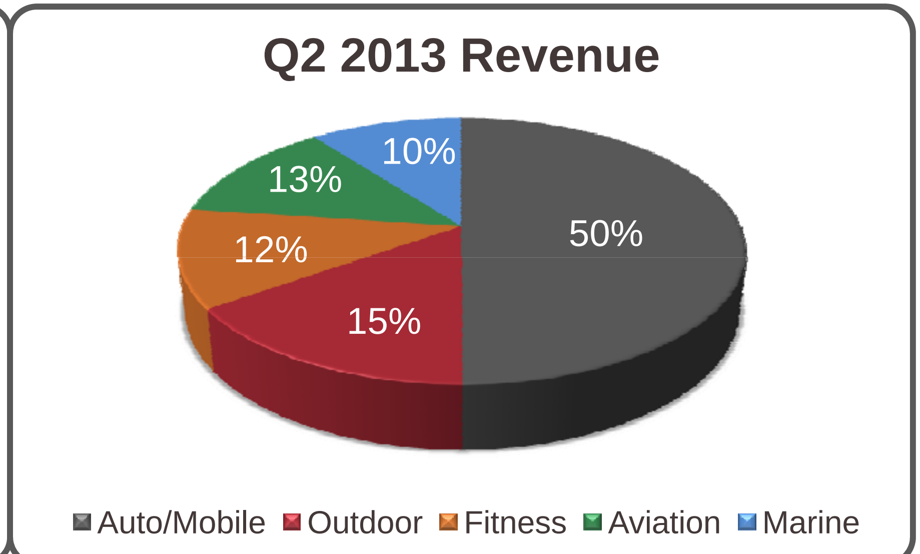
Q2 Revenue

Revenue by Segment			
($ M)	Q2 2014	Q2 2013	Change
Auto / Mobile	$350	$345	2%
Fitness	$151	$84	79%
Outdoor	$106	$107	(1%)
Aviation	$97	$88	11%
Marine	$74	$73	1%
Total	**$778**	**$697**	**12%**





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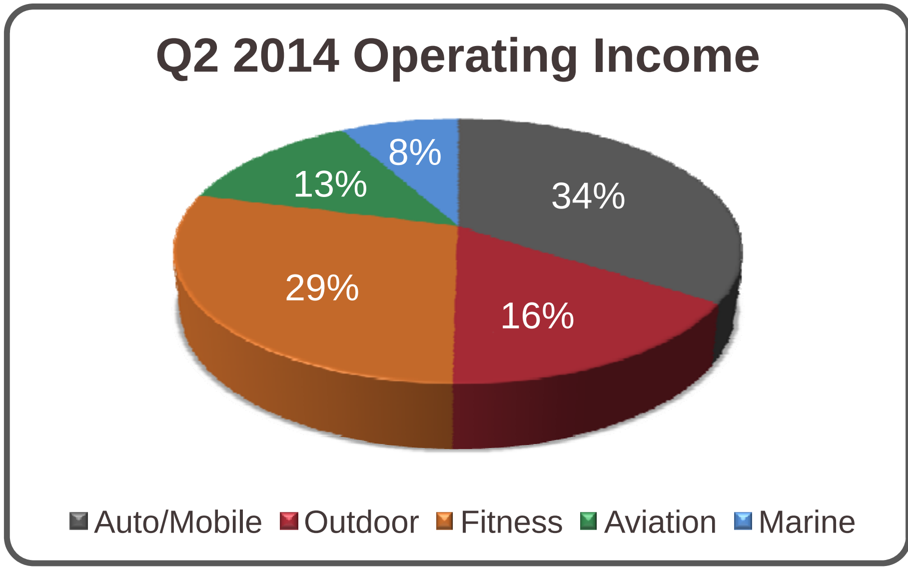
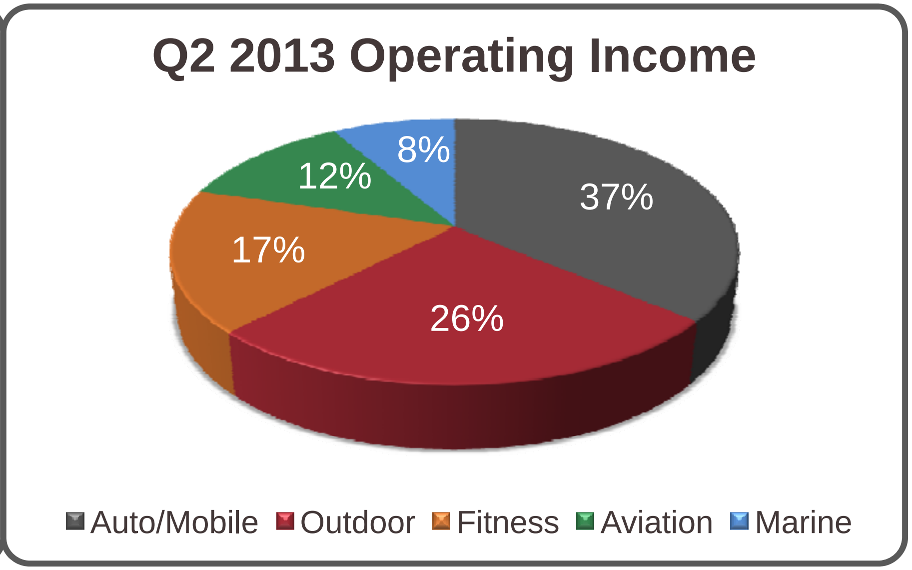
Q2 Operating Income





Margin Review

- GM of 57%; strong due to segment mix and improved or stable margins in 4 of 5 segments
- Auto/mobile improvement driven by benefit from high margin deferred revenue
- Marine & aviation driven by product mix shift toward new offerings; partially offset by decline in outdoor
- Operating margin improved to 28% from 24% in prior year as revenue growth outpaced operating expense growth

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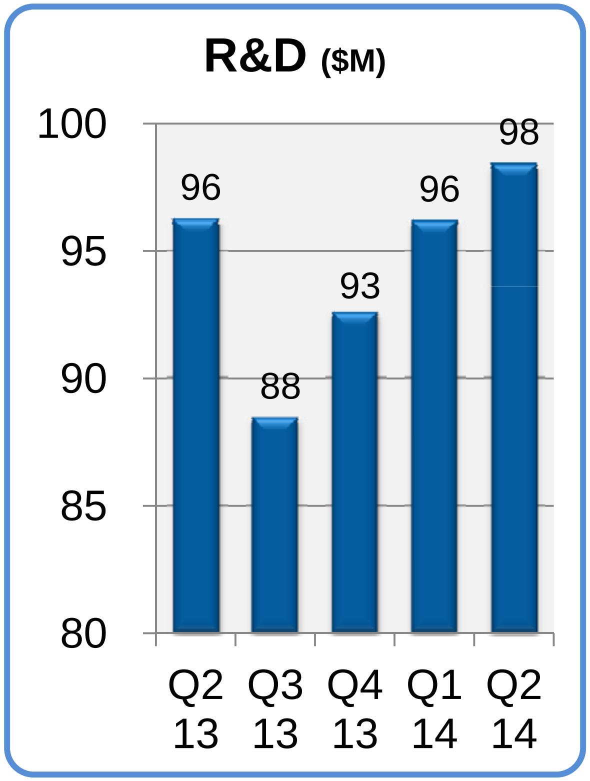
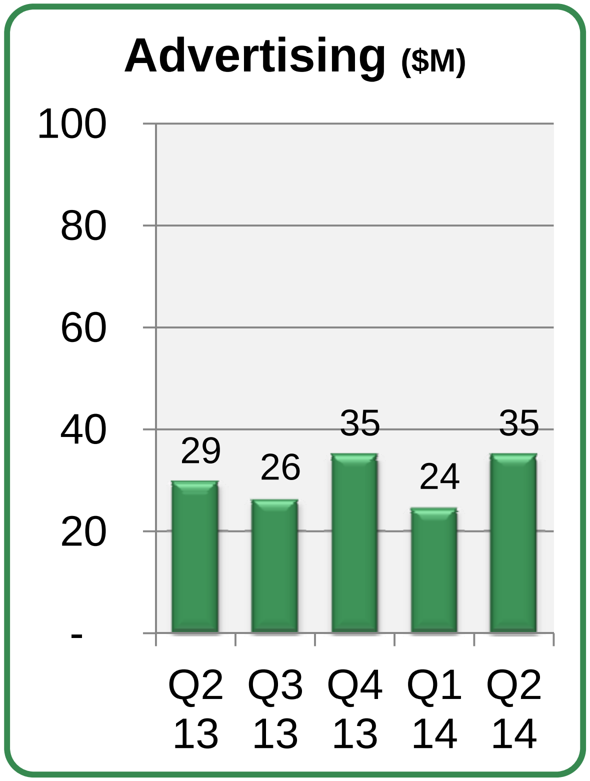
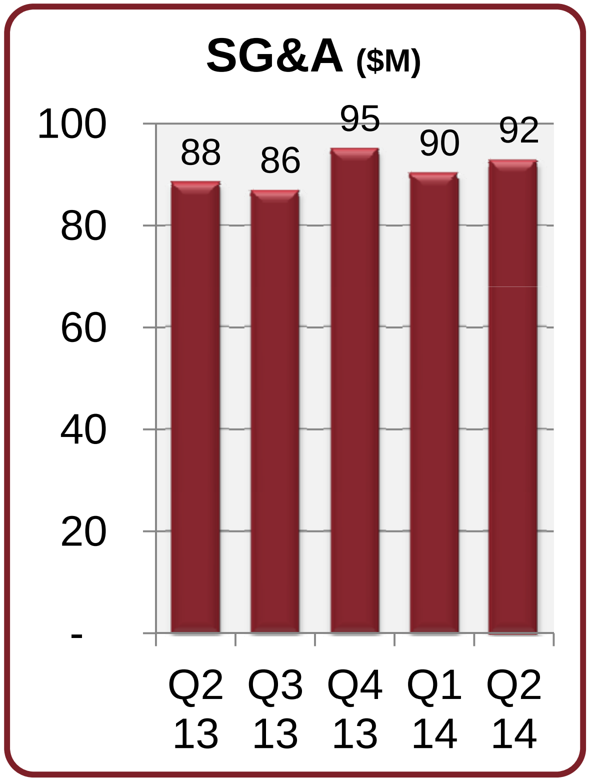
Operating Expenses







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Balance Sheet/Cash Flow

Balance Sheet

- Ended quarter with over $2.8 billion of cash and marketable securities
- Accounts receivable increased due to sustained revenue growth
- Inventory balance decreased sequentially exiting the seasonally strong 2nd quarter

Cash Flow

- Continued strong cash flow with $164 million of operating cash and $143 million of free cash flow in the quarter
- Repurchased $129 million in company stock; $79 million repurchase authorization remains in effect and management intends to repurchase shares as conditions warrant

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Taxes and Restructuring Plan

Taxes

- Effective tax rate of 12.8% in Q2 2014 compared to 16.5% in Q2 2013
- 2014 effective tax rate now expected to be 15.2%

Restructuring Plan

- Intercompany restructuring in Q3 2014 to move US subsidiary out from under our Taiwan subsidiary
- Approximately $300M cash tax payment related to transaction over the next 12 months
- Benefits:
  - + Repatriation of previously permanently reinvested earnings
  - + Efficient repatriation of future earnings

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2014 Revenue Guidance by Segment

Revenue ($M)	2014 Update	Prior
Auto / Mobile	(10%) – (5%)	(15%) – (10%)
Fitness	50% - 55%	10% - 15%
Outdoor	0%	10% - 15%
Marine	10% - 15%	10% - 15%
Aviation	10% - 15%	10% - 15%

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Appendix
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Pro Forma Net Income

Net income per share (Pro Forma)
(in thousands, except per share information)

	13-Weeks Ended		26-weeks Ended	
	Jun 28, 2014	Jun 29, 2013	Jun 28, 2014	Jun 29, 2013
Net Income (GAAP)	$181,983	$172,491	$300,800	$261,157
Foreign currency (gain) / loss, net of tax effects	$17,768	($22,919)	$6,478	($16,213)
Income tax benefit due to completion of tax audits and/or expiration of statutes	-	-	-	($16,536)
Net income (Pro Forma)	$199,751	$149,571	$307,278	$228,408
Net income per share (GAAP):				
Basic	$0.94	$0.88	$1.55	$1.34
Diluted	$0.93	$0.88	$1.54	$1.33
Net income per share (Pro Forma):				
Basic	$1.03	$0.76	$1.58	$1.17
Diluted	$1.02	$0.76	$1.57	$1.16
Weighted average common shares outstanding:				
Basic	193,771	195,570	194,431	195,600
Diluted	194,954	196,300	195,464	196,338

Free Cash Flow

Free Cash Flow
(in thousands)

	13-Weeks Ended		26-weeks Ended	
	Jun 28, 2014	Jun 29, 2013	Jun 28, 2014	Jun 29, 2013
Net cash provided by operating activities	$164,179	$204,298	$235,352	$263,661
Less: purchases of property and equipment	($21,224)	($18,107)	($36,761)	($29,723)
Free Cash Flow	$142,955	$186,191	$198,591	$233,938

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