

Q3 2012 Earnings Call Webcast October 31, 2012













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



3rd Quarter 2012 Highlights

Revenue growth and strong margin performance result in pro forma EPS growth

- Revenue growth of 1% driven by our outdoor and aviation segments
- Gross and operating margin improved to 53% and 24%, respectively
- Operating income increased 9% to \$160 million
- Pro forma EPS increased 4% to \$0.74
- Sold 3.7 million units; up 7% due to growing auto OEM and outdoor volumes
- Raised pro forma EPS guidance to \$2.75 \$2.90



Marine

3rd Quarter Segment Review

- Revenue declined 7% due to the weak European market
- Growth in Americas could not offset ongoing international weakness
- High-end boat market remains slow and anticipate this will continue in 2013



Market/Product Update

- Acquired Nexus Marine AB for expansion into sailboat instrumentation
- Committed to new product development in order to position ourselves for future growth



Aviation

3rd Quarter Segment Review

- Revenue growth of 3% driven by our OEM relationships
- Margin compression continues as we invest in certification of new cockpits in the business jet category; 6 new cockpits slated for 2013

Market/Product Update

- Announced upgrade of the Cessna Citation Sovereign with the G5000 cockpit and the AgustaWestland AW119Kx with the G1000H cockpit
- Aviation International News ranked Garmin #1 in product support – for the 9th consecutive year





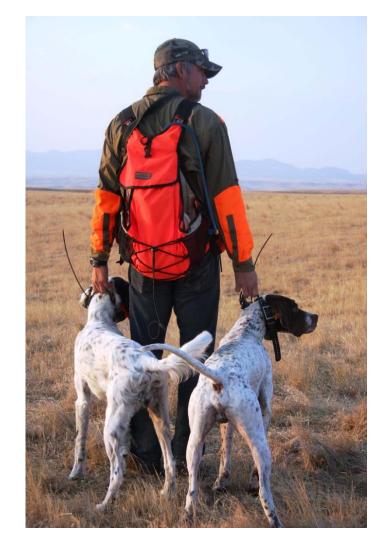
Outdoor

3rd Quarter Segment Review

- Strong revenue and operating income growth of 11% and 17%, respectively
- Growth driven by golf lineup, dog tracking and training portfolio and the recently introduced fēnix

Market/Product Update

 Alpha GPS Track and Train System: unit combines robust GPS tracking from Garmin and proven electronic training from Tri-Tronics







Fitness

3rd Quarter Segment Review

- Revenue decline of 6% offset by margin improvement for operating income growth of 4%
- Product cycle again drove results with high-end mix supporting strong profitability
- Growth in cycling and multi-sport

Market/Product Update

 Forerunner 10: affordable and intuitive solution for runners, joggers and walkers of all levels



Automotive/Mobile

3rd Quarter Segment Review

- Revenue flat with operating margin improvement generating a 16% increase in operating profit
- Strong global market share with North America exceeding 70% and Europe in low-to-mid 30% range



Market/Product Update

- PND market contraction continues in-line with prior expectations; Garmin continued to experience year-over-year market share improvement
- Introduced updated dezl with a large 7" display for the truck/RV market
- Updated StreetPilot and Navigon apps to incorporate public transit features



Automotive OEM Update





Market/Product Update

- Announced nextgeneration solution with Chrysler including advanced features for select 2013 Chrysler and Dodge models
- Shipped our first fully integrated infotainment solution to Suzuki



Financial Update

Kevin Rauckman CFO and Treasurer



Q3 Income Statement

	Q3	Q3	
(\$ Millions)	2012	2011	Change
Revenue	\$672	\$667	1%
Gross Profit	359	344	4%
Gross Margin %	53.4%	51.6%	180 bps
Advertising	30	35	(15%)
SG&A	86	89	(3%)
R&D	82	73	13%
Total Operating Expense	199	197	1%
Operating Income	160	147	9%
Operating Margin %	23.8%	22.1%	170 bps
Other Income/(Expense)	3	28	
Income Tax	22	25	
Net Income (GAAP)	140	150	(7%)
Net Income (Pro-Forma)	146	138	6%
EPS (GAAP)	\$0.72	\$0.77	(6%)
EPS Pro-Forma (excl. FX)	\$0.74	\$0.71	4%
Units Shipped (k)	3,688	3,457	7%



Deferred Revenue Impact

Deferred Revenue Impact*	Q3 2012	Q3 2011
Sales (\$M)	(\$20)	(\$24)
Operating Income (\$M)	(\$16)	(\$17)
Net Income (\$M)	(\$14)	(\$15)
EPS	(\$0.07)	(\$0.08)



^{*} All figures are net of current year amortization

Revenue by Segment

(\$M)	Q3 2012	Q3 2011	Growth
Auto / Mobile	\$384	\$384	0%
Outdoor	\$105	\$95	11%
Fitness	\$65	\$69	(6%)
Marine	\$45	\$48	(7%)
Aviation	\$73	\$71	3%
Total	\$672	\$667	1%

(\$M)	YTD 2012	YTD 2011	Growth
Auto / Mobile	\$1,056	\$1,011	4%
Outdoor	\$283	\$242	17%
Fitness	\$218	\$203	7%
Marine	\$168	\$179	(6%)
Aviation	\$222	\$214	4%
Total	\$1,947	\$1,849	5%



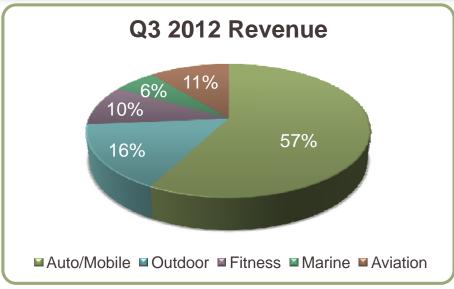
Revenue by Geography

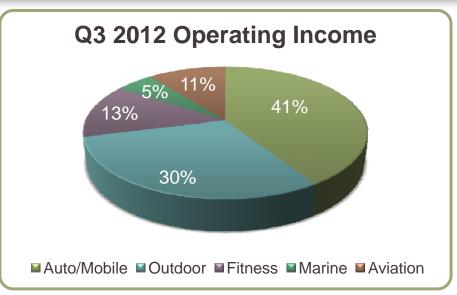
(\$M)	Q3 2012	Q3 2011	Growth
Americas	\$380	\$352	8%
EMEA	\$225	\$258	(13%)
APAC	\$67	\$57	19%
Total Revenue	\$672	\$667	1%

(\$M)	YTD 2012	YTD 2011	Growth
Americas	\$1,068	\$990	8%
EMEA	\$693	\$682	2%
APAC	\$186	\$177	5%
Total Revenue	\$1,947	\$1,849	5%

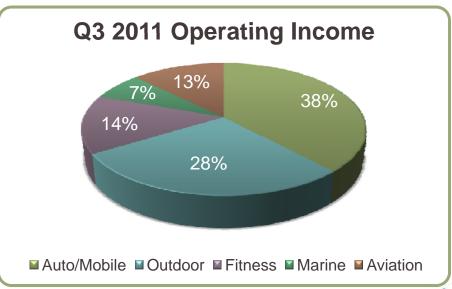


Q3 Revenue & Operating Income

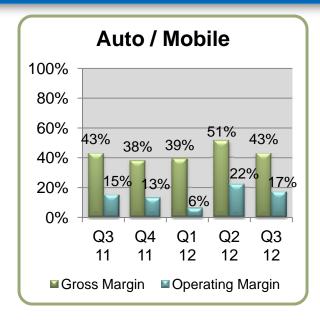


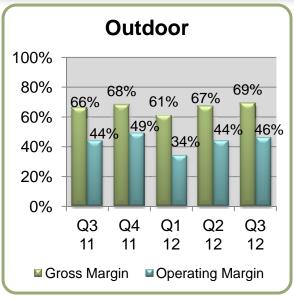


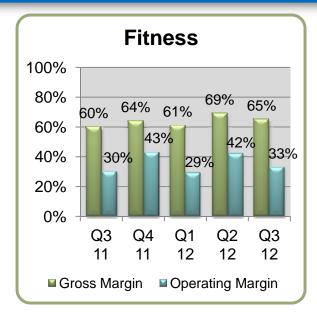


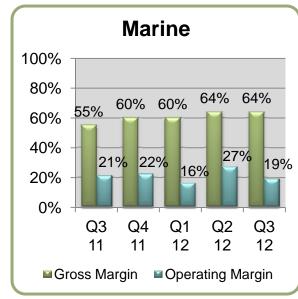


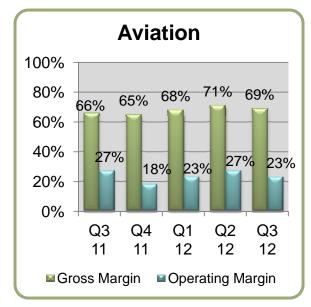
Margin by Segment





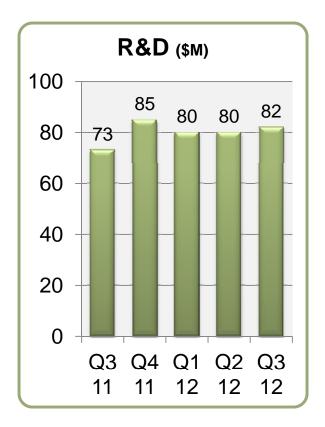


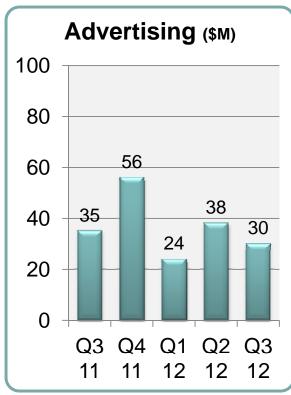


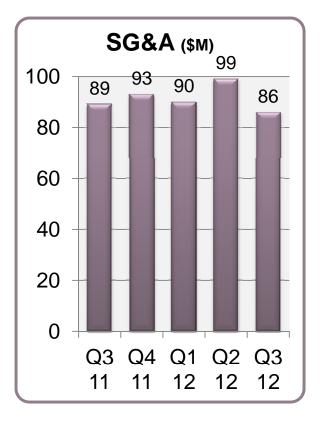




Operating Expenses









2012 Balance Sheet

(\$ Millions)	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Cash & Marketable Securities	2,446	2,496	2,537	2,646	2,719
Accounts Receivable	519	607	430	486	509
Inventory	461	398	407	384	443
Deferred Income Taxes	100	150	153	154	157
Prepaid Assets	53	70	48	52	51
Property, Plant & Equipment	423	417	413	408	408
Other Assets / Goodwill	333	333	337	333	344
Total Assets	4,335	4,471	4,325	4,463	4,631
Accounts Payable	183	211	109	139	148
Other Accrued Liabilities	336	298	222	242	273
Income Taxes Payable	186	239	232	211	222
Dividend Payable	233	78	0	263	175
Deferred Revenue	312	377	376	392	412
Deferred Income Taxes	17	11	7	5	13
Shareholders Equity	3,068	3,257	3,379	3,211	3,388
Total Liabilities / Equity	4,335	4,471	4,325	4,463	4,631

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Cash Flow

(\$ Millions)	Q3 2011	Q1 2012	Q2 2012	Q3 2012	YTD 2012
Net Income	150	87	186	140	413
Depreciation / Amortization	22	25	26	12	63
Accounts Receivable	(8)	185	(68)	(14)	103
Inventory	(79)	(13)	23	(55)	(45)
Accounts Payable	7	(58)	32	6	(20)
Deferred Revenue	31	(1)	16	20	35
Income Taxes	8	(16)	(21)	2	(35)
Other Cash from Operations	55	(87)	29	54	(4)
Cash Flow from Operations	186	122	223	165	510
Investing Activities	(50)	(55)	(146)	(104)	(305)
Financing Activities	(153)	(74)	(86)	(87)	(247)
Exchange Rate Changes	(12)	6	(9)	5	2
Net Increase / (Decrease) in Cash	(29)	(1)	(18)	(21)	(40)
Cash at End of Period	1,389	1,286	1,268	1,247	1,247
Marketable Securities	1,057	1,251	1,378	1,472	1,472
Total Cash and Marketable Securities	2,446	2,537	2,646	2,719	2,719

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Uses of Cash, Taxes, Guidance

Uses of Cash

- Expect continued strong free cash flow generation in Q4 2012; forecast of approximately \$650M for the full year 2012
- Dividend of \$1.80 per share; \$0.45 per quarter began in June 2012 following shareholder approval
- Continued focus on appropriate acquisitions

<u>Taxes</u>

• Tax rate was 13.7% for third quarter. We continue to expect the rate to be approximately 13% for full year 2012.

Guidance

Increase full year 2012 EPS guidance to \$2.75 - \$2.90



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Appendix October 31, 2012















Pro Forma Net Income

Garmin Ltd. And Subsidiaries

Net income per share (Pro Forma)

(in thousands, except per share information)

_	13-Weeks Ended		39-weeks	ks Ended	
	Sept 29, 2012	Sept 24, 2011	Sept 29, 2012	Sept 24, 2011	
Net Income (GAAP)	\$140,348	\$150,381	\$413,109	\$355,340	
Foreign currency (gain) / loss, net of tax effects	\$5,492	(\$12,795)	\$14,184	(\$11,062)	
Net income (Pro Forma)	\$145,840	\$137,586	\$427,293	\$344,278	
Net income per share (GAAP):					
Basic	\$0.72	\$0.77	\$2.12	\$1.83	
Diluted	\$0.72	\$0.77	\$2.11	\$1.82	
Net income per share (Pro Forma):					
Basic	\$0.75	\$0.71	\$2.19	\$1.77	
Diluted	\$0.74	\$0.71	\$2.18	\$1.77	
Weighted average common shares outstanding:					
Basic	194,912	194,112	194,834	194,028	
Diluted	196,161	194,828	196,171	194,809	

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



Free Cash Flow

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

Net cash provided by operating activities Less: purchases of property and equipment Free Cash Flow

13-Weeks Ended		39-weeks	Ended	
	Sept 29,	Sept 24,	Sept 29,	Sept 24,
	2012	2011	2012	2011
	\$164,901	\$186,523	\$510,034	\$597,476
	(\$9,455)	(\$12,208)	(\$26,881)	(\$26,523)
	\$155,446	\$174,315	\$483,153	\$570,953

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.

