

The logo features the word "GARMIN" in a white, bold, sans-serif font. A small blue triangle is positioned above the letter "I".

GARMIN®

The year "2014" is displayed in a red, digital-style font, with the "0" and "4" having a slightly different shape than the "1" and "2".

20  
14

ANNUAL REPORT



# INNOVATION

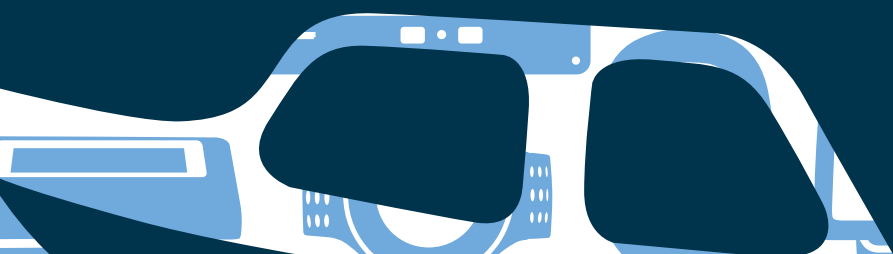
from experience

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**F**or the last 25 years, Garmin has been a worldwide leader in satellite navigation, setting the bar for personal navigation devices (PND) by creating superior products that are essential to our customers' lives. However, we recognize that innovation and diversification are the keys to winning and retaining customers and maintaining long-term sustained growth. To that end, in 2014 we continued to offer and improve on the strong portfolio of products in all our markets—aviation, automotive/mobile, fitness, outdoor and marine—while also venturing into new territory with additional products and categories.

We leveraged our experience developing dedicated watches for fitness, outdoor and aviation enthusiasts to launch an exciting new line of activity trackers, which appeal to all levels of fitness. We added connectivity across all our markets by integrating social and smart technology in select products to provide a profound, data-rich experience to our customers, allowing them to gain a deeper understanding of themselves and their goals. In addition, we widened the displays and angles for some of our products to provide users more detailed information at a glance, decreasing distraction and enhancing safety.

Customer testimonials and professional recommendations from last year demonstrate the relationship our customers have with our products and their correlation to success in their chosen fields. For instance, fishing legend and broadcast personality Bill Dance partnered with Garmin, and is thrilled to use and recommend Garmin marine electronics. Recognized as one of the world's top professional triathletes, Timothy O'Donnell helped launch the Forerunner® 920XT, our highly anticipated multisport device that's qualified to guide the training of elite and amateur athletes alike.

Based on the accomplishments and milestones we achieved in 2014, we're looking forward to the future. We continue to invest in research and development (R&D) and continue to pursue business opportunities in our core market segments, as well as to explore emerging categories. By celebrating 25 years in the industry last year, we have established our legacy as an innovative products company, and we expect not just to endure but also to succeed for many years to come.





GARMIN

## Dear Shareholders,

2014 was a year of change for Garmin. Notably, we entered new markets and we launched new product categories that produced growth in both revenue and profits. In 2014, revenue grew 9% for the full year and our pro-forma EPS grew 18%, ahead of revenue, due to strong margin performance and operating expenses that grew consistent with sales. This successful outcome was made possible by the dedication and hard work of Garmin associates around the globe. I am proud of what our team has accomplished and I am thankful for the strong contributions made by our associates.

One of Garmin's greatest strengths is the diversity of our target markets and product portfolio. While we are excited about the new markets we have entered and the new product categories that we have launched, we also recognize that we could not have achieved these results without the strong contributions from existing markets and product categories. In 2014, we further diversified our business, generating 57% of our revenue and 69% of our operating income from Aviation, Fitness, Marine, and Outdoor. While the PND market size continues to decline, we have offset some of the declines with market share gains, and we have invested in new markets and product categories that have further softened the impact. We believe we are in a stronger position thanks to the intentional investments we have been making to diversify our business.

As we look at 2015 and beyond, we will continue to employ a strategy of multi-market diversification. We will focus on building share in recently entered markets and product categories, while investing for the future by creating more new markets and categories where we can play an essential role in the lives of our customers. We will continue to invest in our core markets creating compelling, innovative, and differentiated products that our customers seek.

I want to thank our shareholders for your ongoing support of our business and strategy. We will continue to focus on the long term, building a sustainable enduring company that plays an ever increasing role in the lives of our customers.



CLIFF PEMBLE | PRESIDENT AND CEO

# AHEAD

of the trend

➡➡➡  
**2014** will be remembered as the year the target audience for wearable technology began the transition from early adopters to mainstream consumers. This shift was led by the advanced engineering that enabled the development of devices able to be worn easily and every day, driving the evolution of the technology from pure novelty product to one that provides value.

Over the last decade, we began developing watches for dedicated enthusiasts. They have helped our customers win races, sail the seas, break par, summit mountains and land safely, providing robust and accurate metrics for specific activities. Nevertheless, we realize not all our customers are elite athletes or backcountry explorers. Therefore, we leveraged our expertise and pushed further into the emerging wearable technology market.

The most recent additions to the lineup combine practical function with personalized feedback. We launched Connect IQ™, our first-ever open platform for third-party developers to create apps for our watches. The software development kit (SDK) allows developers to translate rich sensor data into new relevant metrics using fully customizable data screens. Users can then tailor these apps to meet their individual needs.

This expansion to our collection of watches, which now includes both those intended for exclusive pursuits as well as lifestyle bands targeted to all levels of fitness, provided strong growth driven by the combination of breakthrough design and market demand, and is perfectly timed to coincide with consumers' newfound comfort with the use of wearable technology.





# INSPIRING a Movement

**M**ore than 10 years ago, Garmin launched its first fitness watch. Since then, the company has retained its position as a pioneer in the market. In 2014, Garmin drew on this long-standing reputation in the fitness market to begin offering a complete array of wellness devices and programs.

True to our vision to be the global leader in every market we serve, we “raised the bar” for features in activity trackers. Our distinctive red Move Bar gently reminds users

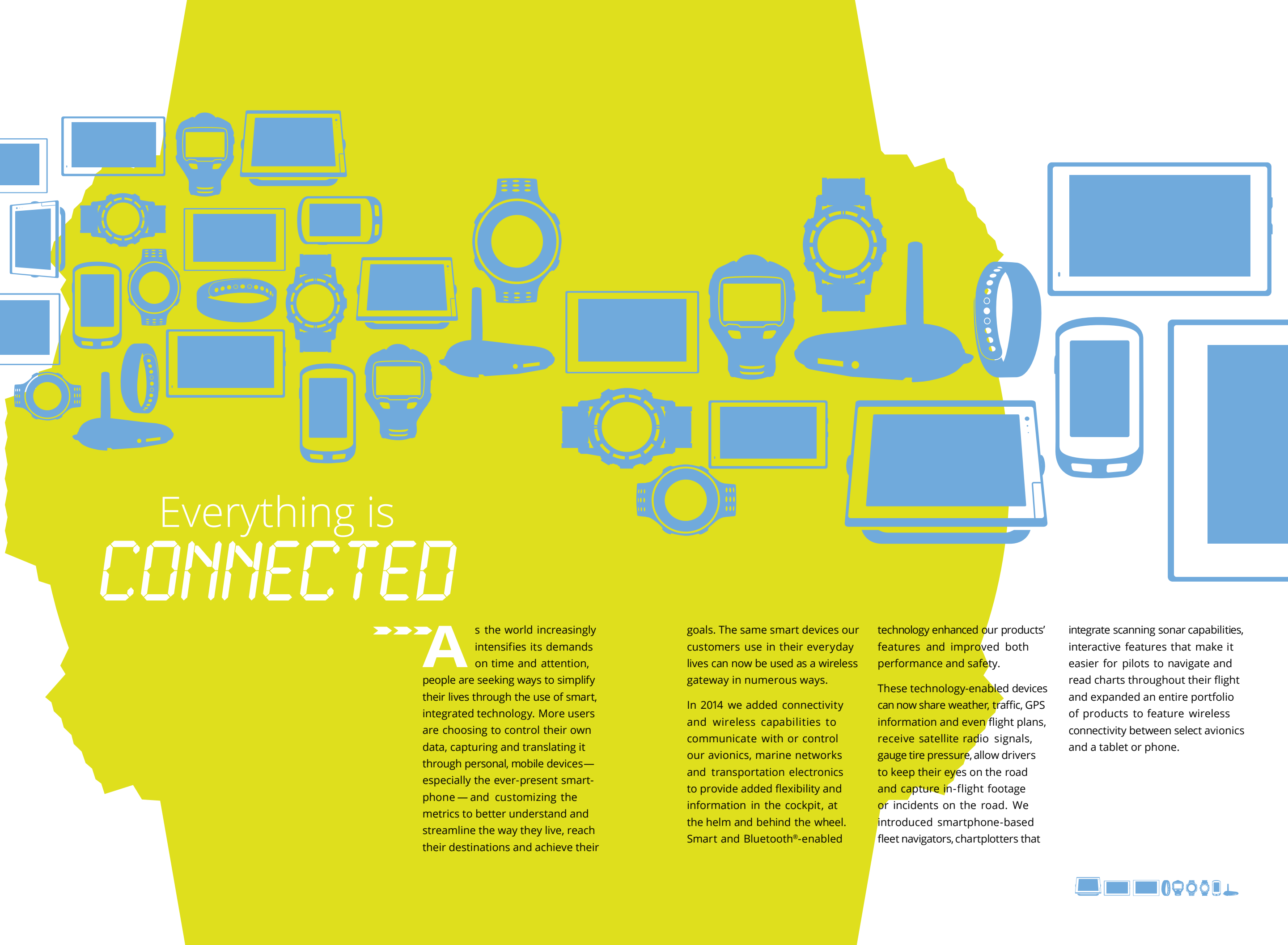
when it’s time to start moving again. In addition, our devices are capable of learning a user’s activity level and using it to set a personalized, attainable daily goal. We also were among the first to add smart notifications and offer a version that, with a year-long battery life, doesn’t need to be charged.

To coincide with the release of these activity trackers, Garmin also began offering a corporate wellness program to engage the workplace population of other companies — but not before

implementing a pilot program for our own associates. Designed to improve employee wellness and inspire individuals to keep a healthy balance between work and life, the corporate wellness program uses Garmin devices and technology to provide motivation and accountability for participants.

For added inspiration, our devices made their broadcast debut when we partnered with the most recent season of NBC’s “The Biggest Loser®,” the competition reality show, for a branded version of our basic activity tracker.

To help our customers stay on track, Garmin Connect™ and Garmin Connect™ Mobile received a complete design update, with improved navigation, customizable dashboard, enhanced reports to track performance over time and easier social network sharing. A partnership signed in 2014 with the popular app MyFitnessPal® now lets users view calories consumed and then burned, and also see their net count for the remainder of the day based on their set calorie goal, providing a more complete view of their health habits.



# Everything is *CONNECTED*

▶▶▶▶ **A**s the world increasingly intensifies its demands on time and attention, people are seeking ways to simplify their lives through the use of smart, integrated technology. More users are choosing to control their own data, capturing and translating it through personal, mobile devices—especially the ever-present smartphone—and customizing the metrics to better understand and streamline the way they live, reach their destinations and achieve their

goals. The same smart devices our customers use in their everyday lives can now be used as a wireless gateway in numerous ways.

In 2014 we added connectivity and wireless capabilities to communicate with or control our avionics, marine networks and transportation electronics to provide added flexibility and information in the cockpit, at the helm and behind the wheel. Smart and Bluetooth®-enabled

technology enhanced our products' features and improved both performance and safety.

These technology-enabled devices can now share weather, traffic, GPS information and even flight plans, receive satellite radio signals, gauge tire pressure, allow drivers to keep their eyes on the road and capture in-flight footage or incidents on the road. We introduced smartphone-based fleet navigators, chartplotters that

integrate scanning sonar capabilities, interactive features that make it easier for pilots to navigate and read charts throughout their flight and expanded an entire portfolio of products to feature wireless connectivity between select avionics and a tablet or phone.



# WINDOWS

to the Future

**G**armin celebrated several major milestones in 2014. We observed the 25th anniversary of the company's founding. We also recognized the 20th anniversary of the industry's first FAA approval of an instrument approach approved GPS receiver, and the tenth anniversary of delivering the revolutionary G1000® Integrated Flight Deck (IFD) to customers.

We have a lot to be proud of at Garmin. The introduction of GPS navigation revolutionized the aviation industry, setting in motion the phase-out of ground-based navigational aids (NAVAIDs) and ushering in the next generation (NextGen) of technology. GPS navigation proved to be more precise and provided instrument approach capability, particularly important for remote airports that did not have funding, or accessibility to NAVAIDs.

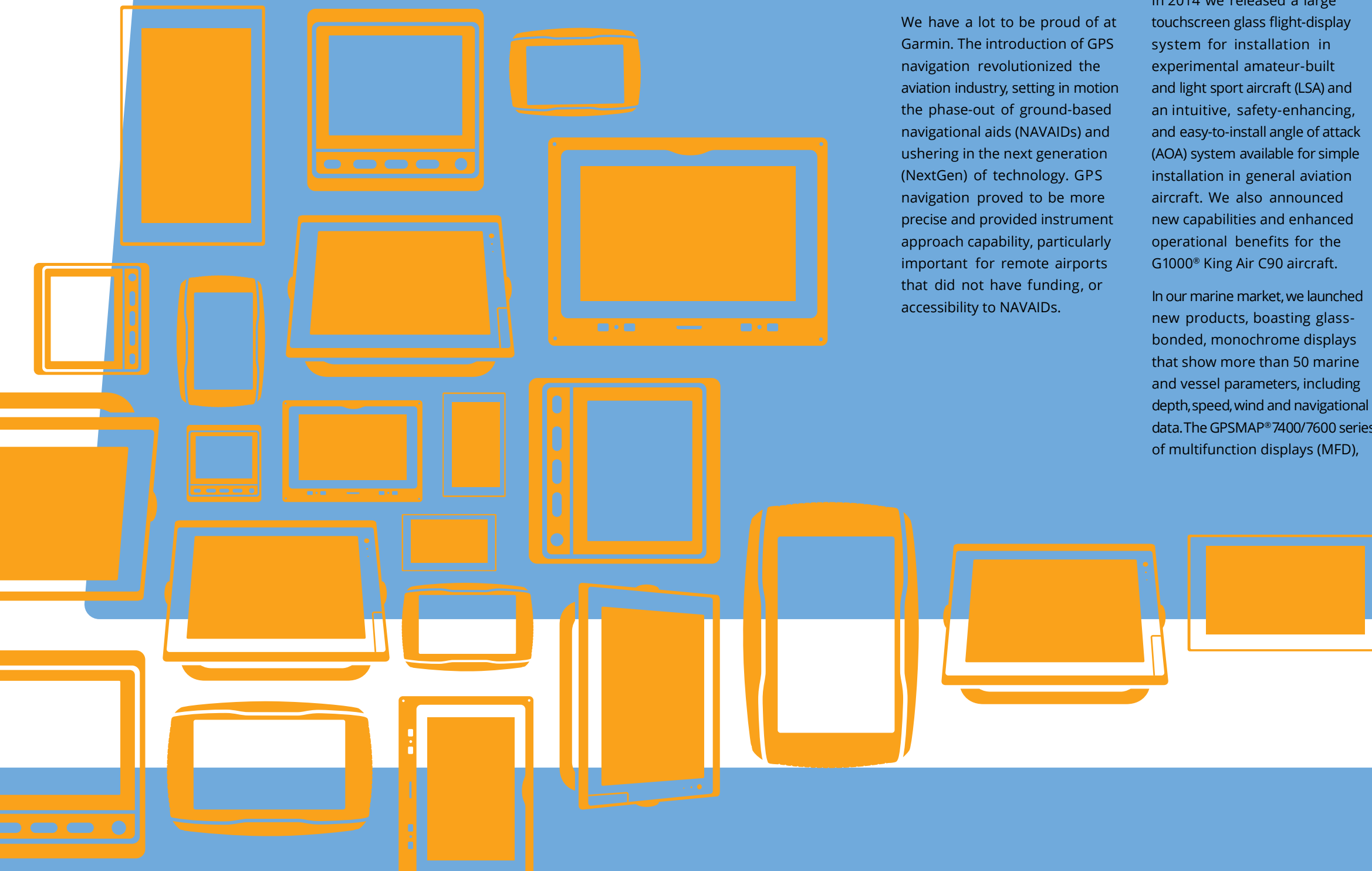
For 25 years Garmin has been committed to providing superior products that are known for their innovation, reliability and intuitive design. But we're resolved not to rest on our accomplishments. The same commitment to innovation that drove our cutting-edge technology when we began still resides in the DNA of our latest products.

In 2014 we released a large touchscreen glass flight-display system for installation in experimental amateur-built and light sport aircraft (LSA) and an intuitive, safety-enhancing, and easy-to-install angle of attack (AOA) system available for simple installation in general aviation aircraft. We also announced new capabilities and enhanced operational benefits for the G1000® King Air C90 aircraft.

In our marine market, we launched new products, boasting glass-bonded, monochrome displays that show more than 50 marine and vessel parameters, including depth, speed, wind and navigational data. The GPSMAP® 7400/7600 series of multifunction displays (MFD),

offered in sonar and non-sonar versions, is a premier line that streamlines high performance, usability and superior boating features with a renowned interface that makes any time on the water more productive and enjoyable. The series includes a vibrant widescreen display available in a variety of sizes. Garmin DownVü™ and Garmin SideVü™ scanning sonar provide an almost picture-quality representation of objects, structure and fish that are found both underneath the boat and also to the sides. These true-to-life images give an angler a better idea of the most ideal spots and underwater structure for fishing, and provide a clear sonar picture.

The displays on our products are the windows through which many of our customers view the world. They rely on the data they provide to enhance their experiences and improve performance and safety. These true-to-life images give pilots, mariners and drivers clear pictures and advanced information to make accurate decisions not just to get from Point A to Point B, but to get there efficiently, safely and enjoyably.



# What Our Users SAY

**L**ast year fishing legend Bill Dance partnered with Garmin to use and recommend our marine electronics, including our new line of sonar and GPS devices designed specifically for freshwater anglers. A professional angler for nearly 50 years, Bill has introduced thousands to the sport of fishing through his television show "Bill Dance Outdoors," which has been on the air since 1968 — totaling more than two thousand episodes.



The full stories behind these testimonials can be found on [sites.garmin.com/en-US/annualreport/](https://sites.garmin.com/en-US/annualreport/).

*"I'm thrilled to have the opportunity to fish with Garmin's completely redesigned fishfinder and GPS units. Not only do they have the clearest sonar and the most detailed lake maps on the market today, but Garmin units are designed to be easy to use."*

GARMIN-SPONSORED ANGLER, **BILL DANCE**

*"My Astro®320/DC™ 50 bundle saved my dog's life tonight!"*

**TOM M.**

*"I just want to say that your Approach® golf watches are great products. Keep up the great work, Garmin! You have a customer for life."*

**BRIAN T.**

*"While on a fishing trip I had the good fortune to use a friend's brand new echoMAP™ DownVü/SideVü, and all I can say is WOW!"*

**BEN S.**

*"The fēnix® 2 saved my life."*

**WENDY R.**



*"Twenty-four pounds lost in less than 5 months all because of the vívofit."*

**CHRIS T.**

*"It eased my mind knowing I would have my GPS with me."*

**MARY M.**

*"My Garmin Forerunner® 10 is my secret weapon and my constant companion."*

**LESLIE M.**

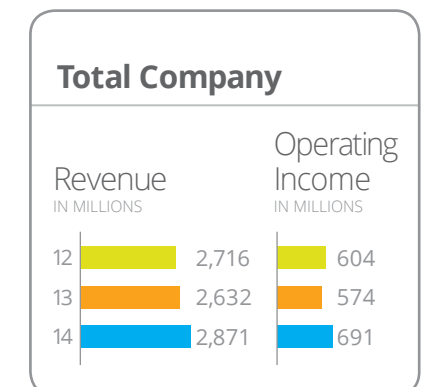
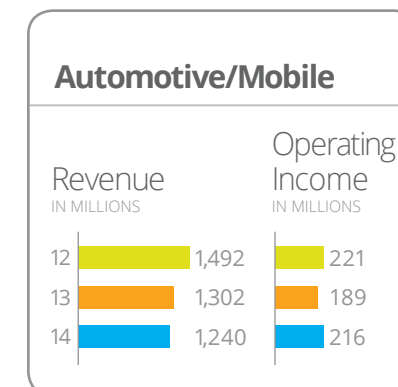
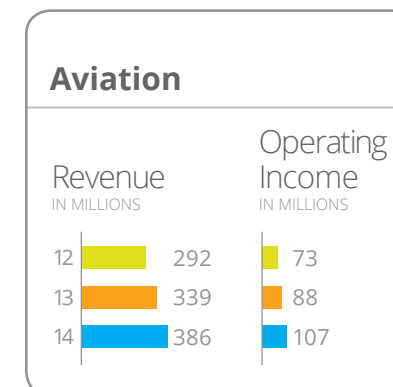
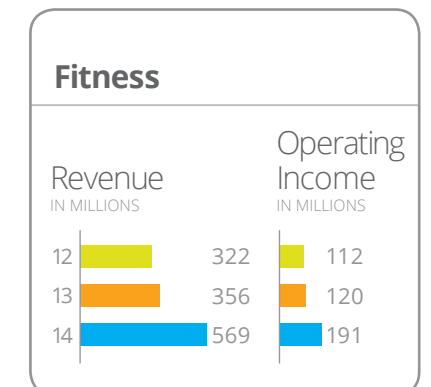
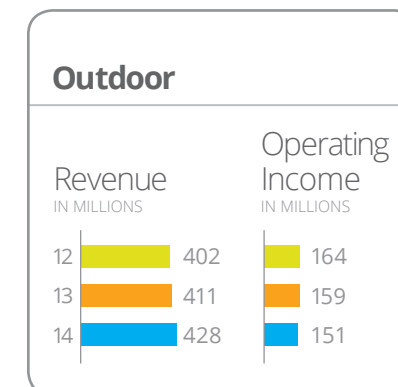
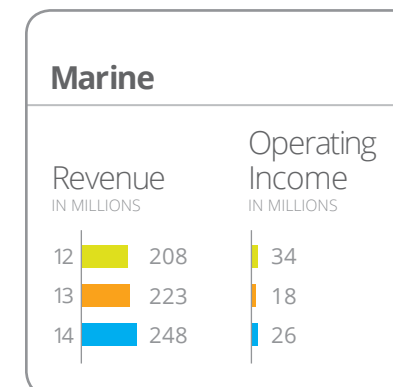
Recognized as one of the world's top professional triathletes, Timothy O'Donnell helped launch the Forerunner® 920XT, our highly anticipated multisport device that's qualified to guide the training of

elite and amateur athletes alike. Timothy won the 2013 IRONMAN® long-distance triathlon in Brazil in a record-setting 8:01:32, and in the same year was the top American in the IRONMAN® World Championship.

*"In a sport where records and seconds count, Garmin is an essential tool for training and racing. They continually and methodically raise the bar for their products, just as I strive to do with each race."*

GARMIN-SPONSORED TRIATHLETE, **TIMOTHY O'DONNELL**

## Our Markets

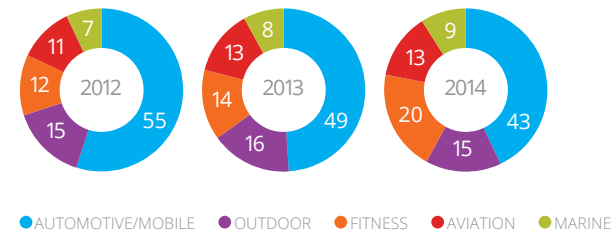


# Financial Review

The selected financial data below and elsewhere in this annual report should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K, a copy of which is included with this annual report or is available at [Garmin.com/10K](http://Garmin.com/10K).

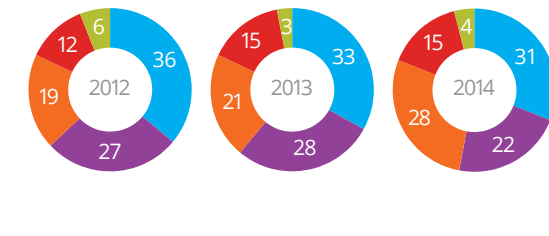
## Revenue by Segment

% OF TOTAL



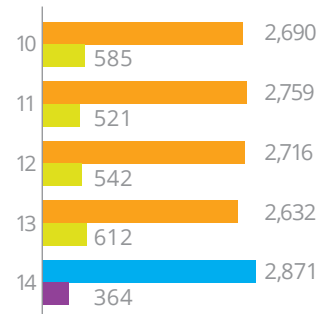
## Operating Income by Segment

% OF TOTAL



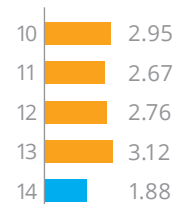
## Revenue and Net Income

\$ IN MILLIONS



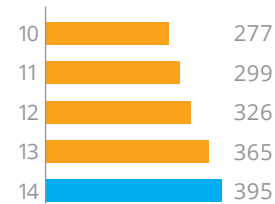
## Diluted EPS

\$ PER SHARE



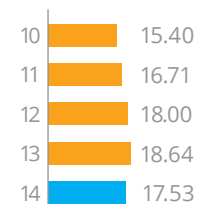
## R&D Expenditures

\$ IN MILLIONS



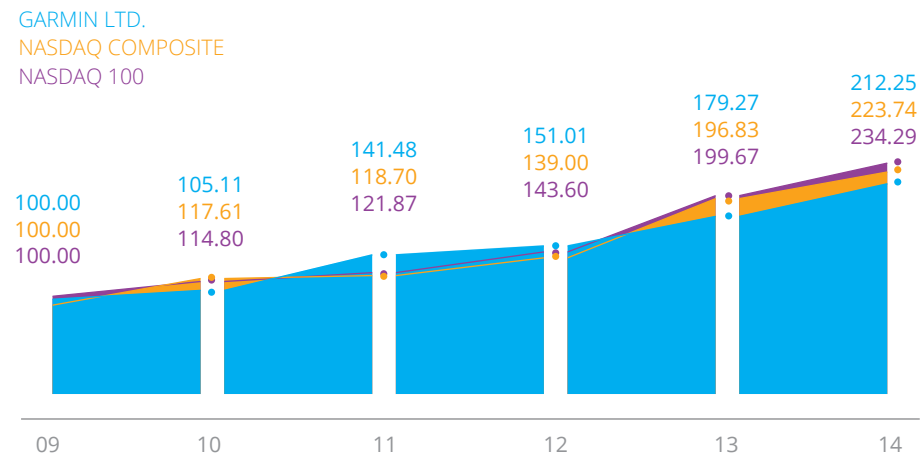
## Book Value Per Share

\$ PER SHARE



## Comparison of 5-Year Cumulative Total Return

AMONG GARMIN LTD., THE NASDAQ COMPOSITE INDEX, AND THE NASDAQ 100 INDEX



The graph below matches Garmin Ltd.'s cumulative 5-year total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite index and the NASDAQ 100 index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from 12/31/2009 to 12/31/2014.

\*\$100 invested on 12/31/08 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

## Board of Directors

**Dr. Donald H. Eller** 2 | 3  
INDEPENDENT TECHNICAL EXPERT

**Joseph J. Hartnett** 1 | 2 | 3  
FORMER PRESIDENT AND CHIEF EXECUTIVE OFFICER  
INGENIENT TECHNOLOGIES

**Dr. Min H. Kao**  
EXECUTIVE CHAIRMAN  
GARMIN LTD.

**Charles W. Peffer** 1 | 2 | 3  
RETIRED PARTNER  
KPMG LLP

**Clifton A. Pemble**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
GARMIN LTD.

**Thomas P. Poberezy** 1 | 2 | 3  
CHAIRMAN EMERITUS EXPERIMENTAL AIRCRAFT ASSOCIATION (EAA)

1 | Audit Committee  
2 | Nominating and Corporate Governance Committee  
3 | Compensation Committee

## Investor Relations

[investor.relations@garmin.com](mailto:investor.relations@garmin.com)  
Security analysts, investment professionals and shareholders can find investor relations information on the company's website at [Garmin.com/10K](http://Garmin.com/10K)

## Transfer Agent

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, Massachusetts, 02021  
United States of America

## Independent Accountants

Ernst & Young LLP

## Market Information

The shares of Garmin Ltd. are traded on the NASDAQ Global Select Market under the symbol GRMN. Garmin Ltd. is a component of the S&P 500 Index.

## Offices

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Southampton  
SO40 9LR  
United Kingdom

Garmin Corporation  
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Xizhi Dist., New Taipei City 221  
Taiwan, R.O.C.

## Executive Officers

**Dr. Min H. Kao**  
EXECUTIVE CHAIRMAN

**Clifton A. Pemble**  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

**Douglas G. Boessen**  
CHIEF FINANCIAL OFFICER AND TREASURER

**Andrew R. Etkind**  
VICE PRESIDENT,  
GENERAL COUNSEL AND SECRETARY

**Danny J. Bartel**  
VICE PRESIDENT, WORLDWIDE SALES  
GARMIN INTERNATIONAL, INC.

**Patrick G. Desbois**  
VICE PRESIDENT, OPERATIONS  
GARMIN INTERNATIONAL, INC.

**Philip I. Straub**  
VICE PRESIDENT AND  
MANAGING DIRECTOR, AVIATION  
GARMIN INTERNATIONAL, INC.

**Sean M. Biddlecombe**  
MANAGING DIRECTOR, EMEA  
GARMIN (EUROPE) LTD.

**P. C. Huang**  
GENERAL MANAGER  
GARMIN CORPORATION

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The Biggest Loser® is a registered trademark of Universal City Studios Productions, LLLP.

MyFitnessPal is a registered trademark of MyFitnessPal, Inc.

The Bluetooth® word mark is owned by the Bluetooth SIG, Inc.

IRONMAN® is a registered trademark of World Triathlon Corporation (WTC).



**GARMIN**<sup>®</sup>

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