

# 2015

A year in review

Celebrating product innovation and customer experience

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**GARMIN**

**GARMIN**

## LETTER FROM THE CEO

Dear Shareholder,

2015 was a challenging year for most global companies, and Garmin was no exception. The strong U.S. dollar reduced the U.S. dollar value of the revenue we generate outside the United States. Geopolitical conflicts negatively impacted demand for our products in key markets such as Russia and Eastern Europe. Lower oil prices—something we love as consumers—had a negative impact on our sales to oil-producing markets. Stock market volatility dampened enthusiasm in segments that are linked to asset appreciation. Finally, competition intensified across many of our business segments, which led to significant changes in the market. With all of the challenges we faced, one could wonder if there was any good news to celebrate. The answer is YES, and plenty of it:

- Our revenue was down 2% for the year, but performed well despite the strong U.S. dollar. Unit deliveries were up 7% over 2014.
- Our aviation, fitness, marine, and outdoor segments grew 9% on a combined basis during 2015, and grew 13% on average over the past three years as a direct result of our investments in these segments.
- We delivered highly anticipated products and technologies. Wrist-based heart rate has become the must-have feature for fitness watches and activity trackers. Fitness delivered three new product families with wrist-based heart rate in 2015 including models with our own Elevate™ heart rate technology. Outdoor leveraged the momentum of the wearable market with the highly successful fēnix® 3. Marine launched a significant number of game-changing products resulting in increased market share. Aviation delivered several key aircraft certifications during the year, including the new Cessna Latitude and HondaJet.

Finally, our auto segment delivered strong profitability in mature market conditions allowing us to invest in new opportunities for the future. Our relationship with Honda Motor Co. expanded, resulting in Garmin navigation being available on most Honda models around the globe. In addition, our relationship with Daimler continues to expand with the introduction of the new 2017 Mercedes E-Class.

- Our Beat Yesterday™ campaign was a resounding success that delivered increased interest in our products and our brand.
- We expanded our operational footprint with a new factory in China and acquisitions that will bring new products and technologies to our portfolio.

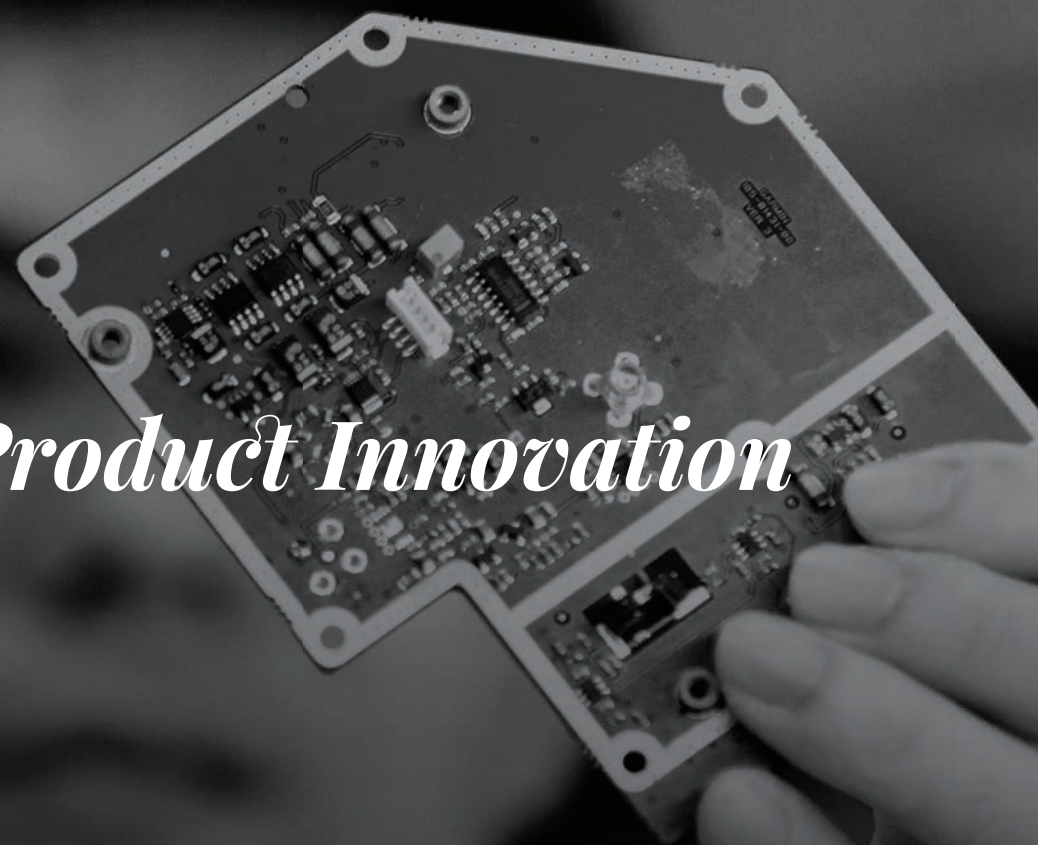
Looking forward to 2016, we understand that we cannot control the macro environment in which we operate. Instead, we choose to focus on our mission, which is creating superior products that play an essential role in our customers' lives. We have a strong lineup of products across all of our business segments, which enable our customers to pursue the active lifestyles that they love. Our aviation, fitness, marine and outdoor segments are once again forecasted to deliver strong growth, while our auto segment remains a healthy source of profits.

**I want to thank our shareholders for your interest in Garmin. We look forward to 2016 and the many exciting opportunities it presents.**



CLIFF PEMBLE | PRESIDENT AND CEO

# *Product Innovation*



\$427 million

Dollars spent on research and development (R&D) in 2015  
We're committed to making great products even greater and creating exciting new ones.

## PRODUCT INNOVATION

At Garmin, our mission is to create superior products for aviation, fitness, outdoor, marine and auto that are an essential part of our customers' lives. To stay true to our vision—to be the global leader in every market we serve, with products sought after for their compelling design, superior quality and best value—we focus on innovation and diversification, while never losing sight of the benefits our products bring to our customers.

It's not about the things we make. It's about the things we make possible.

They like us. They really like us.

# 16.2 million

Number of units shipped in 2015

# 125

Number of new products we released in 2015

# 23

Number of R&D facilities around the globe



A black and white photograph of a propeller on an aircraft. The propeller is the central focus, with its blades extending outwards. The background is a cloudy sky. The word "Aviation" is written in a cursive font over the right side of the propeller. The overall image has a high-contrast, dramatic feel.

*Aviation*

## AVIATION

In 2015, our avionics segment did it all—general and business aviation, helicopters and experimental aircraft. We continued relationships with aftermarket, airline and military channels and worked hard to capitalize on the Federal Aviation Administration’s (FAA) NextGen transformation of the National Airspace System (NAS) and other regulatory mandates around the world. We reduced complexity, enhanced efficiency, underscored safety, shortened learning curves and vastly simplified cockpit management in all phases of flight. In short, Garmin aviation innovation is modernizing the way we fly.

12

The number of consecutive years our avionics product support has earned the top spot in *Aviation International News* and *Professional Pilot’s* annual avionics product support surveys.

60,000 feet

The maximum altitude from which the U.S Air Force fleet of RQ-4 Global Hawk aircraft will be operating with the Garmin Doppler-enabled GSX™ 70 weather radar to provide real-time weather information to improve mission effectiveness.

### NOTABLE PRODUCTS & CERTIFICATIONS



Cessna Latitude with Garmin G5000® avionics system



D2™ Bravo



Embraer Phenom 300 with G3000 Prodigy Touch integrated flight deck

2

Embraer Supplier of the Year Awards for support of the G1000® Prodigy and G3000® Prodigy Touch integrated flight decks in two categories: Material Support to Operations and Electro – Electrical Systems.



That makes a total of 6 awards in Supplier of the Year categories since 2010, but who’s counting?

#### OTHER NOTABLE PRODUCTS

GDL® 84H and 88H ADS-B datalink for helicopters  
ADS-B solutions  
VIRB® XE Aviation Bundle  
Automated Logbook  
GRA™ 55 Radar Altimeter and GI 205 Display  
GMA™ 350c Bluetooth® audio panel

#### CERTIFICATIONS

HondaJet  
Gulfstream G150 and G200  
Learjet 60  
European-registered helicopters



*Fitness*

## FITNESS

Our fitness device users are serious about their data. And so are we. We build innovative next-generation wrist-worn and mounted devices for running, multisport activity and cycling at all levels, and our wearable activity trackers motivate and help our customers achieve their fitness goals. Made to work with Garmin Connect™ and Garmin Connect™ Mobile, Garmin fitness devices encourage our customers to analyze, share and inspire, even while on the go. No, strike that. Especially while on the go.

4,992,293

New Garmin Connect accounts

24x7

Heart rate monitoring by wearables with new Elevate™ wrist-based heart rate technology

## NOTABLE PRODUCTS



vivosmart® HR with Elevate wrist-based heart rate



Forerunner® 235 with Elevate wrist-based heart rate

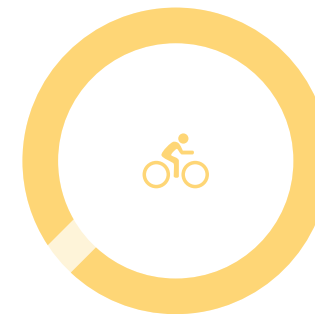


Varia™ Rearview Radar (shown with Edge® 1000)

## Our users were really active in 2015

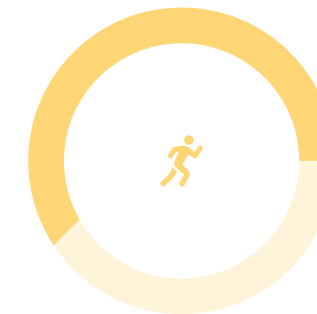
2.56 trillion

Steps taken



2.5 billion

Miles cycled



836 million

Miles ran



12.3 million

Miles swam  
That's 19.9 billion meters

## OTHER NOTABLE PRODUCTS

Varia Smart Bike Lights  
Forerunner 25  
Edge Explore 1000  
Edge 20/25  
Edge 520



*Outdoor*



## OUTDOOR

On the trail or off, our specialized wrist-worn and handheld products let our customers go—and come back—with confidence. And now, their adventures are even more stylish. We've combined our leading technology, ruggedness, reliability and intuitive operation with premium watch design and materials.

8 GB

Built-in memory in the epix™, the first-of-its-kind, high-resolution, color and touchscreen GPS/GLONASS mapping watch

15

Minimum number of activities supported by the fēnix 3  
Running, walking, hiking, mountaineering, geocaching, swimming, climbing, cycling, skateboarding, skiing, mountain biking, snowboarding, golfing, rowing and kayaking. And that's just off the top of our heads.

## NOTABLE PRODUCTS



fēnix 3



fēnix 3 Sapphire



Sport PRO™ remote dog-training collar and handheld

5

Bold styles in the fēnix® 3 Sapphire collection



We understand it's not always the size of the dog that matters.

7 ounces

The smallest of our Delta® mini GPS tracking collars

## OTHER NOTABLE PRODUCTS

Delta XC

Rino® 650t

Montana® 610/680

Montana 610t/680t

eTrex® Touch 25/35/35t

epix

T 5 mini and TT™ 15 mini tracking-only dog devices with collars

VIRB X and VIRB XE



*Marine*

## MARINE

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Our marine products—OEM, aftermarket, portable and wearable devices—feature advanced technology that integrates performance, quality, value and ease of use so our mariners can embark on every voyage with confidence. From streamlined, highly effective fishfinders to an entire plug-and-play marine network with sonar, radar and XM weather, we can outfit almost any type of rig. And in 2015, we did.

# 3...2...1...Go!

We released the GPS 73 handheld with Garmin SailAssist™, the built-in countdown timer that calculates the perfect start to your race.

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## 20

Update rate in frames per second of our revolutionary Panoptix™ LiveVü sonar, which shows the fish action under the water in real time, even when the boat is stationary.

## 417 kHz

Number of times per second the sonar signals oscillate and travel through water at around 1,500 meters per second with our revolutionary Panoptix sonar.

## 5

Awards from the National Marine Electronics Association (NMEA), including Manufacturer of the Year

## NOTABLE PRODUCTS

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echoMAP™ CHIRP series



Panoptix all-seeing sonar



Garmin Quickdraw™ Contours

## OTHER NOTABLE PRODUCTS

Panoptix PS21  
2016 CHIRP transducers  
STRIKER™ series fishfinders



*Auto*

## AUTO

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In 2015, we held our position as the world leader in GPS navigation by designing and delivering driving solutions for a wide range of customers. As always, our products feature valuable tools, including situational awareness of traffic, exits, lane-departures, spoken directions, school zones and backup cameras, which deliver a more confident driving experience for our customers. But this was the year we really diversified into cameras and sensors, expanded our specialized product lines in motorcycle, trucking and RV markets and strengthened our OEM partnerships.

# 80%

Garmin market share of the total U.S. personal navigation device (PND) market

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## 4 years

Time covered by a strategic relationship with Honda Motor Co. that brings our award-winning navigation into multiple Honda infotainment systems.

## Oh, baby!

Garmin babyCam™, the first in-vehicle video monitor that functions wirelessly with a compatible Garmin GPS navigator.

## NOTABLE PRODUCTS

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Garmin Drive™ series

Dash Cam 30/35

## OTHER NOTABLE PRODUCTS

nüviCam™ LMTHD  
Garmin babyCam  
dēzl™ 570/770  
dēzlCam™



# Marketing

2,506,055

Number of views and counting  
Boom. The Beat Yesterday spot is popular on YouTube.

## MARKETING

The Garmin in-house ad agency creates original and sometimes disruptive ideas that emotionally connect our innovative products with our customers' needs. We position these ideas almost anywhere and everywhere—print, television, in stores, online and out of home such as subway stations, airport terminals and highway billboards.

360°

Beat Yesterday was launched across TV, print, out of home, digital and social channels. Anywhere we can reach our customers. If you fly, you've seen it at the airport. If you stay home, you've seen it there, too. In fact, we liked the idea so much, we started using it as our own internal mantra.

**beat  
yesterday.**

Beat Yesterday is a truly global campaign. It's being used in major media outlets and in major retailers in markets around the world.

279,860,660

Visits to Garmin.com. That's a 30.8% increase over 2014.

567%

Increase in followers of @Garmin on Instagram

## FINANCIAL REVIEW

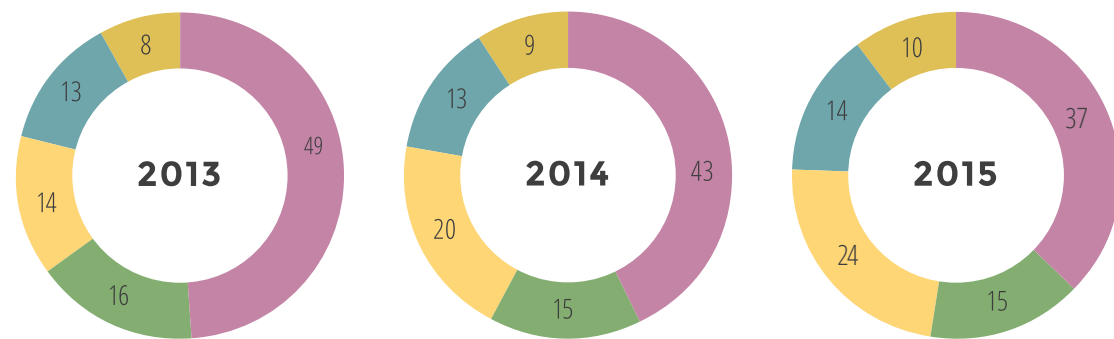
The selected financial data below and elsewhere in this annual report should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K, a copy of which is available at [Garmin.com/10k](http://Garmin.com/10k) or included with the print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

### OUR MARKETS

● AUTO ● OUTDOOR ● FITNESS ● AVIATION ● MARINE

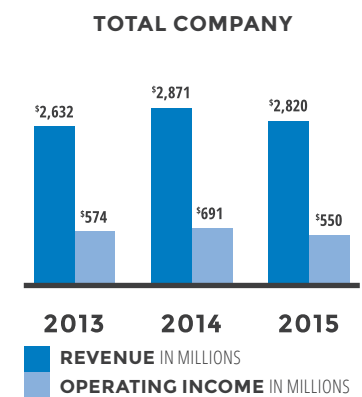
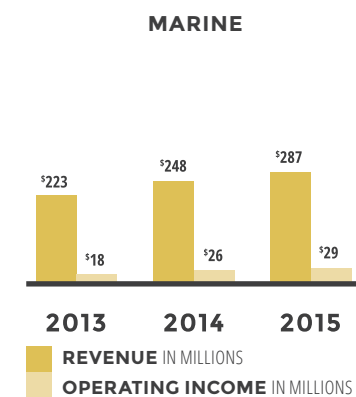
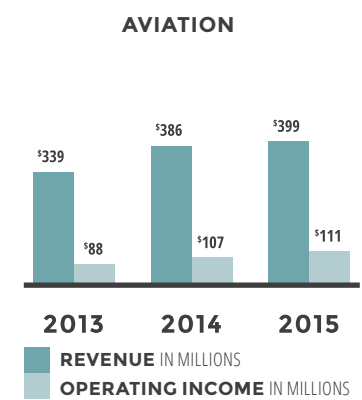
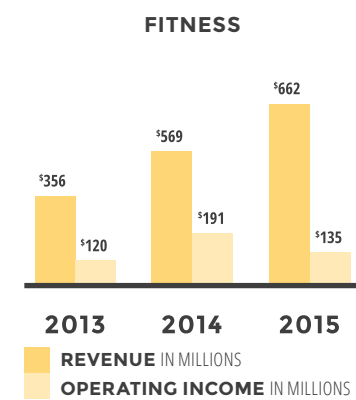
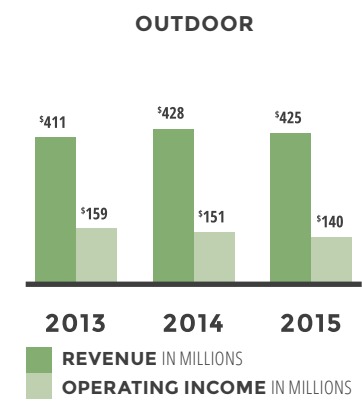
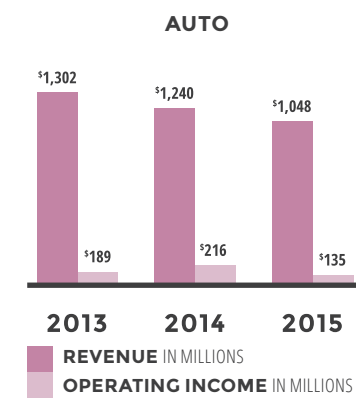
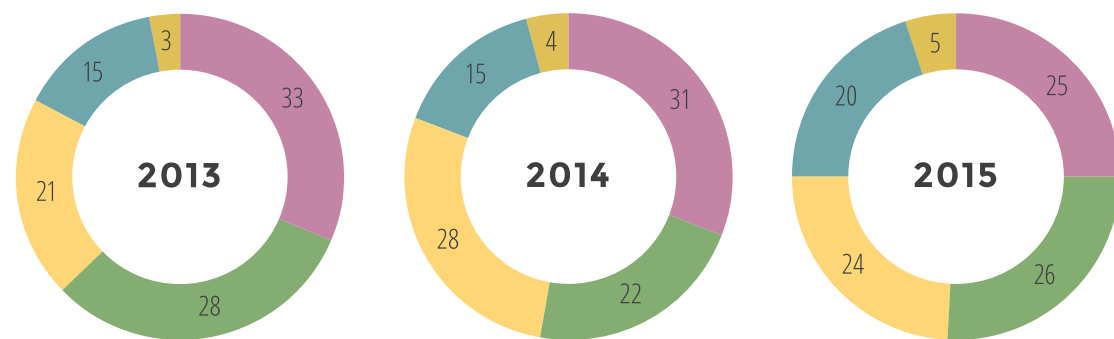
### REVENUE BY SEGMENT

% OF TOTAL



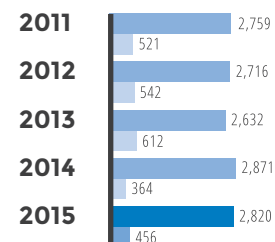
### OPERATING INCOME BY SEGMENT

% OF TOTAL

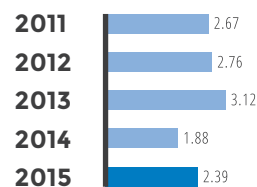


## FINANCIAL REVIEW (CONTINUED)

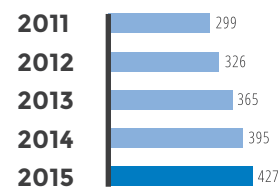
### REVENUE & NET INCOME \$ IN MILLIONS



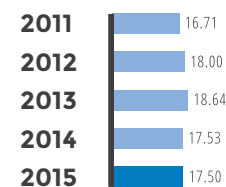
### DILUTED EPS \$ PER SHARE



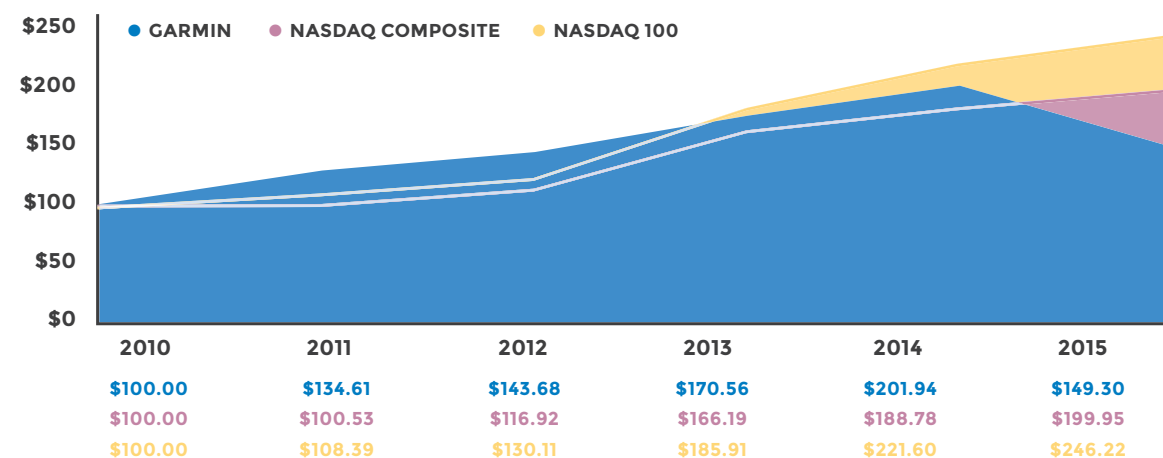
### R&D EXPENDITURES \$ IN MILLIONS



### BOOK VALUE PER SHARE \$ PER SHARE



### COMPARISON OF THE 5-YEAR CUMULATIVE TOTAL RETURN AMONG GARMIN LTD., THE NASDAQ COMPOSITE INDEX, AND THE NASDAQ 100 INDEX



The graph matches Garmin Ltd.'s cumulative 5-year total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite Index and 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 12/31/2010 to 12/31/2015.

\*\$100 invested on 12/31/09 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  
Interim President and CEO  
Sparton Corp.

**Dr. Min H. Kao**  
Executive Chairman  
Garmin Ltd.

**Charles W. Peffer** 1 | 2 | 3  
Retired Partner  
KPMG LLP

**Clifton A. Pemble**  
President and CEO  
Garmin Ltd.

**Thomas P. Poberenzy** 1 | 2 | 3  
Chairman Emeritus  
Experimental Aircraft Association (EAA)

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

## EXECUTIVE OFFICERS

**Dr. Min H. Kao**  
Executive Chairman

**Clifton A. Pemble**  
President and CEO

**Douglas G. Boessen**  
CFO and Treasurer

**Andrew R. Etkind**  
Vice President, General Counsel  
and Secretary

**Dan 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 Corp.

## INVESTOR RELATIONS

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 Royal Street  
Canton, MA 02021  
United States

## 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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**Garmin Corp.**  
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Taiwan, R.O.C.