



 **GARMIN**®



To our shareholders:

As part owners in a company that achieved outstanding growth and launched a successful Initial Public Offering in 2000, to you we say *thank you and congratulations*. We are privileged to share with you the good news from the past year along with Garmin's vision for the future.

We have continued to expand our product line with the introduction of 23 new products over the past two years. Some were praised as being the most compact, user-friendly GPS receivers on the market. At the same time, our new aviation systems were turning heads across the industry for their large color displays and complete navigation and communication capabilities. We regularly receive customer e-mails that praise our products or relate compelling "GPS in action" stories. This feedback reminds us that we truly are creating technology that touches people.

Garmin celebrated a significant achievement last May when we received ISO 9001 accreditation for our Olathe, Kansas facility. This certification reinforced our efforts toward continuous quality improvement in manufacturing and will make us accountable to maintain extremely high standards in the future. Retaining our ISO status is a responsibility we take seriously because we believe our customers deserve nothing less than the best.

As Garmin has consistently grown in manpower and number of products, so came the need to grow our physical capacity. Garmin associates in Taiwan took occupancy of a new facility that gave them three times the manufacturing space, while the Olathe office was undergoing an expansion that more than doubled its size. The expansion included a new warehouse with automated equipment that has increased our shipping efficiency.

Taking Garmin public on December 8, 2000, marked another milestone in our company's 11-year history. As a publicly traded company, we now have the financial backing to continue growing our business and expanding into new markets. In order to maintain our growth strategy for the future, we will:

Maintain our customer-focused approach to product design. Our goal is to design products that offer superior value, higher quality, and lower cost of ownership than those of our competitors.

Emphasize continuous innovation. We intend to continue as a leader in innovation as we constantly seek new markets and uses for our products.

Expand and broaden our product line. We will continue to offer a comprehensive line of products within each of our current market segments while developing new devices that integrate GPS navigation with communication and information technology.

Maintain and selectively expand our distribution network. We will continue to build relationships with our global network of dealers and original equipment manufacturers.

Continue our practice of vertical integration. We will continue performing all design, manufacturing and marketing functions in-house as long as this strategy produces superior results.

Thanks for being a part of Garmin's memorable year 2000. We look forward to even greater achievements in the coming year.



Gary L. Burrell
Co-Chairman & Co-CEO



Dr. Min H. Kao
Co-Chairman & Co-CEO

Technology that touches people

Armed with a simple idea and a passion for helping people, Gary Burrell and Dr. Min Kao teamed up to start Garmin in 1989. In the early days, Gary, Min and a handful of employees worked tirelessly to design and manufacture the company's first product, a portable GPS receiver. Today, the company manufactures some of the world's leading consumer electronics products. And, though our people and production facilities span three continents, we all share some common ground in our efforts to turn complicated technology into useful products that enhance people's lives.

We carry out that mission every day by designing, manufacturing and marketing products that assist people in their professions and help them enjoy outdoor sports, leisure activities and other life adventures. Products such as all-in-one aviation systems that allow pilots to navigate and communicate with ease. Portable, in-car navigation systems that let users look up street addresses and more. Marine products that can chart a course or find fish in some of the toughest environments. Feature-packed, pocket-sized GPS receivers suited for adventure seekers.



Dreaming big and obsessing with the details. It's a dynamic corporate philosophy that has taken Garmin from a start-up GPS manufacturer to a large international corporation that's earned the respect of our customers, dealers and shareholders.

From concept to shelf-ready unit, virtually all components and processes that go into Garmin electronics are built or take place at one of our three facilities. While other companies are outsourcing and downsizing, Garmin is insourcing and growing. This "do it ourselves" philosophy eliminates our reliance on outside vendors and puts us in control of quality issues at all levels. We work at our speed and to our standards, so we don't have to make compromises or excuses.



At our U.S. subsidiary's facility in the Kansas City suburb of Olathe, Kansas, Garmin associates carry out our engineering activities and marketing and sales for North and South America. All panel-mount general aviation products are manufactured at the Olathe facility in accordance with strict regulations that include periodic inspections by the Federal Aviation Administration (FAA).



The manufacturing of our automotive, marine and recreational products takes place at our Taiwan subsidiary's facility in Shijr. This location also handles sales and marketing for Asia, Australia and New Zealand. Our European subsidiary, located in England, handles the marketing and technical support of Garmin products and accessories for Europe and the Middle East.



"Being the first with new technology is becoming a habit at Garmin."

FLYING Magazine, on the GNS 430

The idea that started it all

In the days when GPS (Global Positioning System) technology was still in its infancy, our company founders envisioned a wide range of products that would help people around the world pinpoint positions and navigate to destinations. In 1989, Gary Burrell and Dr. Min Kao formed a company to carry out their vision. They thought GPS was going to change the course of navigation. They were right.

The Global Positioning System is a network of 24 satellites placed into orbit by the U.S. Department of Defense. The satellites circle the earth twice a day in a very precise path and transmit information to earth. Garmin GPS receivers take this information and use triangulation to calculate the user's exact location, anywhere in the world. The position can then be displayed on the GPS unit's electronic map, which may include nearby landmarks, streets and other geographical detail.



A GPS receiver must be locked on to the signal of at least three satellites to calculate a position and track movement. Once the user's position has been determined, the GPS unit can provide other information, such as speed, bearing, track, trip distance, distance to destination, sunrise and sunset time and more.

From moving map products used by pilots to rugged, waterproof marine units, our GPS products have helped people all over the world chart new courses and reach their destinations. This same technology launched Garmin's growth into a successful consumer electronics company. But we have not arrived at our destination — there are far too many ideas yet to be developed.



During a humanitarian service trip to Peru, this dental student used his Garmin GPS 12 to record the locations of villages along the Amazon River. The information was submitted to the government so the sites can be officially recorded on maps, allowing other service groups to reach the remote villages.



Gary Burrell and Dr. Min Kao

Gary Burrell and Dr. Min Kao are visionaries who have managed to keep their feet firmly planted in the rich soil upon which they built our company. Though our products are on the forefront of technology and touch the lives of people around the world, Garmin remains grounded in the conservative principles and hardworking ethics instilled by our leaders.

As cofounder and co-CEO of Garmin, Gary Burrell has stamped his personal brand of leadership on every facet of the company. Beginning with just a handful of people and an idea for a product, Mr. Burrell has since built Garmin into an international presence with employees, distributors and customers around the globe.

For his achievements, Burrell has been recognized as the "Emerging Entrepreneur of the Year" for Missouri and Kansas by Inc. Magazine, The Kansas City Business Journal and Ernst & Young.





Prior to founding Garmin, Burrell served in various roles at marine and aviation electronics companies such as Lowrance Electronics, King Radio Corporation and Allied Signal.

Dr. Min Kao, Garmin cofounder and co-CEO, directs all engineering development efforts, including requirements, analysis, simulation, design, testing and integration. Dr. Kao is credited with the breakthrough design and engineering of the patented GPS software technology that formed the foundation of the original Garmin product line.

Before teaming up with Mr. Burrell to start Garmin, Dr. Kao served as engineering group leader with King Radio Corporation and Allied Signal, where he led the development of the first GPS navigator to be certified by the FAA. Dr. Kao has also served on the engineering staffs of Magnavox Advanced Products and Systems Co. and Teledyne Systems Company.

*"The best
and latest in
portable navigation."*

*FORTUNE magazine
on the Garmin
StreetPilot®
ColorMap*



Focused on customers

We design, we build and we dream of products through the eyes of people who need our technology even though they may not understand it. Our goal is to serve our customers' needs by designing products of the highest quality and utility. To make sure we're on target, we listen and respond to thousands of customers every day through e-mail inquiries and phone calls. We even seek opportunities for valuable one-on-one interaction with consumers. When our engineers test marine products at a nearby lake, they get to know boaters and fishing enthusiasts to find out what types of products they need. And when our marketing specialists conduct training clinics for sales people in the field, they gain insight into how people are using our products and what we can do to make them better.

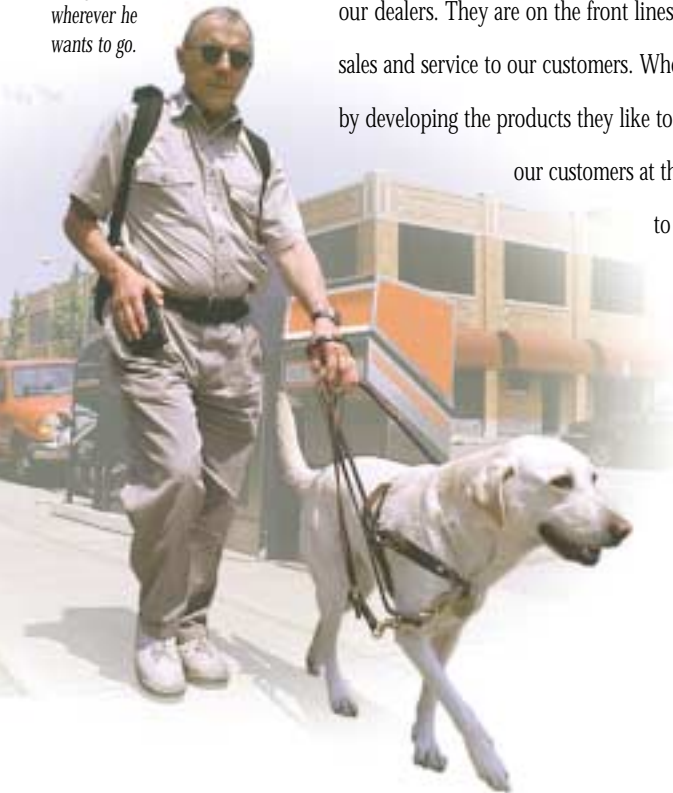
We also have a responsibility to listen and respond to the needs of our dealers. They are on the front lines of our business, providing sales and service to our customers. When we motivate our dealers

by developing the products they like to sell, we know we're satisfying

our customers at the same time. We're committed to giving our dealers high quality products, great values and support after the sale.

In turn, they take care of our customers and provide feedback that helps us stay in touch with end users.

Gil is blind and uses his Garmin eMap with a digital talking map software program that guides him wherever he wants to go.



Committed to innovation

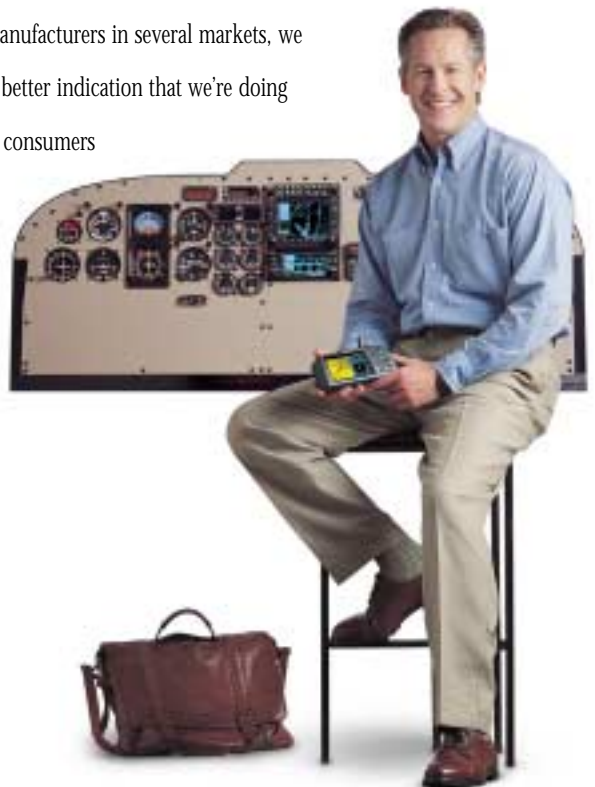
Continuous innovation. It's the driving force behind Garmin's rapidly expanding product line. Thanks to our emphasis on research and development and the close partnership between our engineering and manufacturing teams, Garmin has a strong record of product innovations. We've introduced 23 new products in the last two years and expect to announce 25 new products in 2001. As technologies and consumer needs change, we continue to look for ways to integrate GPS capabilities with other electronics products.

In terms of product design, we are constantly looking for ways to outdo ourselves and keep the Garmin brand at the forefront of the industry. Continuous innovation is a tireless process, and sometimes it means changing strategies midstream. But it's definitely worth the extra steps. Today, millions of GPS users around the world take pride in having "guidance by Garmin." Our dealers and employees are likewise devoted to designing, selling and servicing what they believe to be the best consumer electronics on the market.

Although Garmin is considered one of the leading electronics manufacturers in several markets, we don't measure our success solely on sales volume and profits. A better indication that we're doing things right comes from the people we serve — both individual consumers and corporate partners. Some of the top aircraft and boat manufacturers install Garmin electronics as standard equipment. These manufacturers put their reputation on the line with every airplane or boat they turn out, and the fact that they put Garmin on board speaks to their belief in our products.



Popular Science designates the NavTalk GPS/cell phone as a great achievement in science and technology.



The people behind the products

For a company that's on the cutting edge of technology, Garmin is fortunate to have leaders and employees who still hold to some timeless values. Loyalty. Honesty. Giving 110 percent because you love what you do. To some, these concepts may seem old-fashioned. We think it's exactly what puts us out in front.

Garmin figured out early on that there's no substitute for employees who love what they do. As the company has grown and diversified, our founders have remained loyal to their desire to take care of employees and their families. Despite our investment in state-of-the-art facilities and equipment, we recognize that our most valuable resource is our people. We equip them with the tools and training they need and give them opportunities to expand their roles.

We work in an environment that's both challenging and rewarding. Where expectations are high and dedication runs deep. Garmin has always made it a priority to invest in people first. This strategy has produced excellent results, and we have no plans to change it, even as technologies and the marketplace change.





The people behind the company

Board of Directors

Gene M. Betts
Senior Vice President and Treasurer
Sprint Corporation

Gary L. Burrell
Co-Chairman and Co-Chief Executive Officer
Garmin Ltd.

Donald H. Eller
Private Investor

Min H. Kao
Co-Chairman and Co-Chief Executive Officer
Garmin Ltd.

Ruey-Jeng Kao
Partner
Fortune Land Law Offices, Taiwan

Thomas A. McDonnell
President and Chief Executive Officer
DST Systems, Inc.

Executive Officers

Gary L. Burrell
Co-Chairman and Co-Chief Executive Officer

Min H. Kao
Co-Chairman and Co-Chief Executive Officer

Kevin S. Rauckman
Chief Financial Officer and Treasurer

Andrew R. Etkind
General Counsel and Secretary

Gary V. Kelley
Director of Marketing
Garmin International Inc.

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Independent Accountants

Ernst & Young LLP

Market Information

The Common Shares of the Company
are traded on the Nasdaq National Market
under the symbol GRMN.

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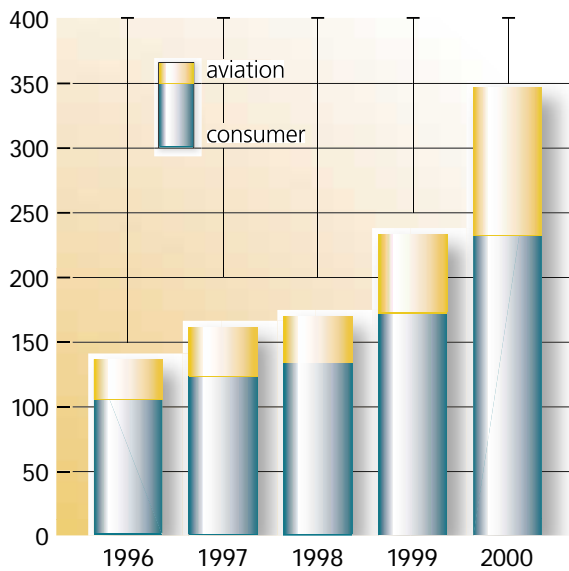
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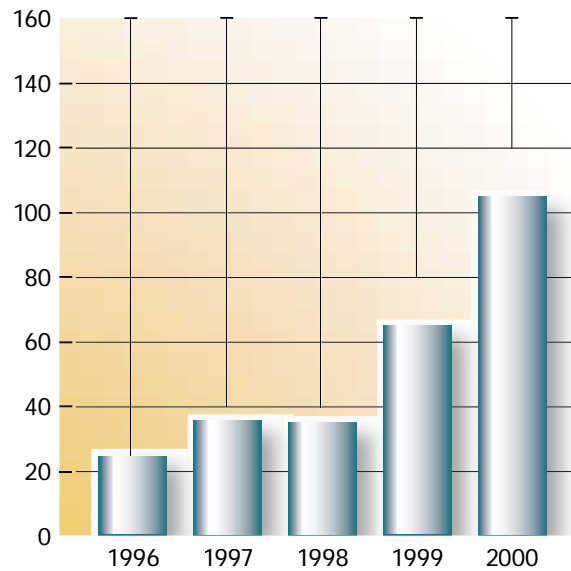
www.garmin.com

Financial highlights

Net revenue in millions (U.S.\$)



Net income in millions (U.S.\$)



	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Net revenues:	\$135.9	\$160.3	\$169.0	\$232.6	\$345.7
consumer	\$105.4	\$122.0	\$135.4	\$169.2	\$230.2
aviation	\$30.5	\$38.3	\$33.6	\$63.4	\$115.5
Net income	\$23.0	\$36.1	\$35.2	\$64.2	\$105.7
Net income per share - diluted	\$0.23	\$0.37	\$0.35	\$0.64	\$1.05
Cash and cash equivalents	\$37.1	\$64.2	\$80.4	\$104.1	\$251.7
Total assets	\$118.8	\$143.5	\$174.5	\$250.1	\$463.3



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