

GARMIN LTD  
Form 11-K  
June 25, 2004

**United States  
Securities and Exchange Commission  
Washington, D.C. 20549**

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the year ended December 31, 2003  
or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 0-31983**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Garmin International, Inc. 401(k) and Pension Plan  
c/o Garmin International, Inc.  
1200 East 151<sup>st</sup> Street  
Olathe, KS 66062**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Garmin Ltd.  
P.O. Box 30464 SMB  
5<sup>th</sup> Floor, Harbour Place  
103 South Church Street  
George Town  
Grand Cayman, Cayman Islands**

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A schedule of party-in-interest transactions has not been presented because there were no party-in-interest transactions, which are prohibited by ERISA Section 406 and for which there is no statutory or administrative exemption. Schedules of loans, fixed income obligations, and leases in default or uncollectible are not presented, since such loans, fixed income obligations, or leases that are required to be listed in the respective schedule are not present.

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### Report of Independent Registered Public Accounting Firm

The Plan Administrator  
Garmin International, Inc.  
401(k) and Pension Plan

We have audited the accompanying statements of net assets available for benefits of the Garmin International, Inc. 401(k) and Pension Plan (the "Plan") as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003 and 2002, and the changes in its net assets available for benefits for the year ended December 31, 2003, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Kansas City, Missouri  
June 8, 2004

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### Garmin International, Inc. 401(k) and Pension Plan

Statements of Net Assets  
Available for Benefits

	December 31	
	2003	2002
<b>Assets</b>		
Investments, at fair value	\$41,738,984	\$25,587,709
Receivables:		
Employer contributions		125,148
Employee contributions		78,348
Total receivables		203,496
Net assets available for benefits	\$41,738,984	\$25,791,205

December 31

*See accompanying notes.*

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**Garmin International, Inc.  
401(k) and Pension Plan**

Statement of Changes in Net Assets  
Available for Benefits

Year Ended December 31, 2003

**Additions**

## Investment income:

Dividends	\$	419,116
Interest		36,069

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455,185

## Contributions:

Employee contributions		3,119,252
Employer contributions		4,144,480
Rollover contributions		897,515

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8,161,247

## Total additions

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8,616,432

**Deductions**

Distributions to participants		(824,545)
Administrative expenses		(64,164)

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(888,709)

Net appreciation in fair value of investments (*Note 3*)

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8,220,056

## Net increase

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15,947,779

## Net assets available for benefits at beginning of year

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25,791,205

## Net assets available for benefits at end of year

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\$41,738,984

*See accompanying notes.*

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**Garmin International, Inc.  
401(k) and Pension Plan**

Notes to Financial Statements

December 31, 2003

## 1. Description of the Plan

The Garmin International, Inc. 401(k) and Pension Plan (the Plan) is a contributory defined contribution plan available to full-time employees who are at least 21 years of age and have completed three months of service with Garmin International, Inc. (the Company), a wholly owned subsidiary of Garmin Ltd. Participants are permitted to enter the Plan after meeting eligibility requirements on either January 1 or July 1. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Eligible employees may contribute up to 50% of their annual compensation subject to Internal Revenue Code (the Code) maximum limitations. The Company matches 75% of an employee's contributions up to 10% of the employee's compensation. Certain other discretionary employer contributions to the Plan are at the sole discretion of the Company's Board of Directors.

Under provisions of the Plan, participants direct the investment of their contributions into one or more of the investment accounts available.

Participants become fully vested in employer matching contributions to the Plan after five years of continuous service. The vesting percentages are as follows: 0% through one year of service, 20% after one year, 40% after two years, 60% after three years, 80% after four years, and 100% after five years of continuous service. Participants become fully vested in discretionary profit sharing contributions after seven years of continuous service. The vesting percentages are as follows: 0% through two years of service, 10% after two years, 20% after three years, 40% after four years, 60% after five years, 80% after six years, and 100% after seven years. The non-vested portions of terminated participants account balances are forfeited, and such forfeitures serve to reduce future employer contributions. The Plan retained \$0- in forfeitures at December 31, 2003 and \$70,389 at December 31, 2002. Upon termination of employment or at retirement age, a participant may receive either a lump-sum amount equal to the value of the participant's vested account balance or the Plan will purchase an annuity with the lump-sum amount.

Participants may borrow from the Plan in the form of a loan. The loan is limited to the amount the participant may borrow without the loan being treated as a taxable distribution. The loan and any outstanding loan balance may not be more than 50% of the participant's vested account balance, not including discretionary profit sharing contributions or merged Garmin International, Inc. Money Purchase Pension Plan (the MPP) contribution balances, or \$50,000, whichever is less. The vested account provides

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### Garmin International, Inc. 401(k) and Pension Plan

Notes to Financial Statements (continued)

## 1. Description of the Plan (continued)

the security for the loan, and the participant's account may not be used as security for a loan outside of the Plan. Additionally, loans must be repaid with interest within five years from the date of the loan unless the loan is used to buy the participant's principal residence. The loan may be repaid before it is due.

Although the Company has not expressed any intent to do so, it has the right under the plan provisions to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become fully vested in their benefits. Additional information about the Plan and its vesting and withdrawal provisions is contained in the Summary Plan Description, *Garmin International, Inc. 401(k) and Pension Plan*. Copies of the Summary Plan Description are available from the plan administrator.

## 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Plan.

### Valuation of Investments

The fair value of the mutual fund investments owned by the Plan is based on quoted redemption values on the last business day of the plan year. The fair value of the investments owned by the Plan in Garmin Ltd. common stock is based on the quoted market price on the last business day of the plan year. Loans to participants are valued based on outstanding principal amounts owed on the last business day of the plan year as reported to the Plan by the trustee.

**Contributions**

Contributions from the Company are accrued and paid in the period in which they become obligations of the Company.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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**Garmin International, Inc.  
401(k) and Pension Plan**

Notes to Financial Statements (continued)

**3. Investments**

The Plan's investments were held by T. Rowe Price Trust Company at December 31, 2003 and 2002. During 2003, the Plan's investments (including investments bought and sold, as well as held, during the year) increased in fair value by \$8,220,056, as presented in the following table:

Garmin Ltd. common stock	\$2,846,284
Mutual funds	5,373,772
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	\$8,220,056
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The fair value of individual investments that represent 5% or more of the Plan's net assets is as follows:

	<b>December 31 2003</b>	<b>2002</b>
	<hr/>	
Fair value as determined by quoted market price:		
Oakmark Equity and Income Fund	<b>\$5,491,515</b>	\$ 4,085,078
T. Rowe Price Equity Income Fund	<b>4,776,377</b>	3,614,312
Garmin Ltd. common stock	<b>7,422,245</b>	2,970,854
T. Rowe Price Equity Index 500 Fund	<b>4,643,833</b>	2,940,210
T. Rowe Price Prime Reserve Fund	<b>2,485,386</b>	2,253,008
T. Rowe Price New Income Fund	<b>2,136,624</b>	1,910,321

**4. Income Tax Status**

The Plan has received an opinion letter from the Internal Revenue Service dated February 27, 2002, stating that the written form of the underlying prototype plan document is qualified under Section 401(a) of the Code and that any employer adopting this form of the Plan will be considered to have a plan qualified under Section 401(a) of the Code. Therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan is qualified and the related trust is tax-exempt.

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**Garmin International, Inc.  
401(k) and Pension Plan**

Notes to Financial Statements (continued)

**5. Transactions With Parties in Interest**

The Company pays certain administrative costs and provides certain accounting and administrative services to the Plan for which no fees are charged.

**6. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**7. Subsequent Events**

The Plan held approximately 18% of its assets in Garmin Ltd. stock at year-end. As of June 8, 2004 the stock price for the Garmin Ltd. stock dropped approximately 40% from its market price at December 31, 2003.

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**Garmin International, Inc.  
401(k) and Pension Plan**

Employer Identification Number: 48-1088407

Plan Number: 001

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2003

Identity of Issuer	Number of Shares or Units	Current Value
Liberty Acorn Fund	23,746	\$ 535,717
Ariel Appreciation Fund	12,703	550,054
PBHG Real Estate Fund	28,042	291,361
T. Rowe Price Stable Value Fund*	1,419,913	1,419,913
Neuberger Berman Focus Fund	6,013	158,996
BGI Lifepath 2010	1,906	23,445
BGI Lifepath 2020	2,784	39,336
BGI Lifepath 2030	4,674	66,048
BGI Lifepath 2040	5,024	77,722
Oakmark Equity and Income Fund	249,388	5,491,515
Oakmark International Fund	10,462	188,517
Calvert Social Investment Fund (Equity A)	1,263	40,783
Lord Abbett Mid-Cap Value Fund	10,097	190,123
Garmin Ltd. common stock*	136,238	7,422,245
Pimco Total Return Fund	56,035	600,139
T. Rowe Price Mid-Cap Value Fund*	53,936	1,097,058
T. Rowe Price Total Equity Market Index Fund*	32,371	373,890
T. Rowe Price International Stock Fund*	164,349	1,888,379
T. Rowe Price New Income Fund*	236,091	2,136,624
T. Rowe Price Prime Reserve Fund*	2,485,386	2,485,386
T. Rowe Price Small-Cap Value Fund*	30,152	886,160
T. Rowe Price Equity Index 500 Fund*	155,053	4,643,833
T. Rowe Price Science and Technology Fund*	65,298	1,227,596
T. Rowe Price Mid-Cap Growth Fund*	36,192	1,552,643
T. Rowe Price Small-Cap Stock Fund*	39,553	1,106,686
T. Rowe Price Equity Income Fund*	197,698	4,776,377

**7. Subsequent Events**

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T. Rowe Price Blue Chip Growth Fund*	8,807	250,561
T. Rowe Price Growth Stock Fund*	66,131	1,608,965
Loans to participants		608,912
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		\$41,738,984
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\*Indicates party in interest to the Plan.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

GARMIN INTERNATIONAL, INC. 401(k) AND  
PENSION PLAN

By /s/ Kevin Rauckman

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Kevin Rauckman  
Chief Financial Officer  
Garmin International, Inc.

Dated: June 25, 2004

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**EXHIBIT 23**

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-52766) pertaining to the Garmin International, Inc. 401(k) and Pension Plan of our report dated June 8, 2004, with respect to the financial statements and schedule of the Garmin International, Inc. 401(k) and Pension Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2003.

/s/ Ernst & Young LLP

Kansas City, Missouri  
June 25, 2004

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SIGNATURE

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