



Logitech

Q4 Fiscal Year 2011

April 27, 2011



Forward-Looking Statements

This presentation contains forward-looking statements, including the statements regarding anticipated sales, operating income, gross margin and tax rate for FY 2012; growth opportunities, and the timing for that growth, in peripherals for tablets, China, LifeSize, unified communications and the digital home; and priorities for FY 2012

These forward-looking statements involve risks and uncertainties that could cause Logitech's actual results to differ materially from those anticipated in these forward-looking statements. Factors that could cause actual results to differ materially include:

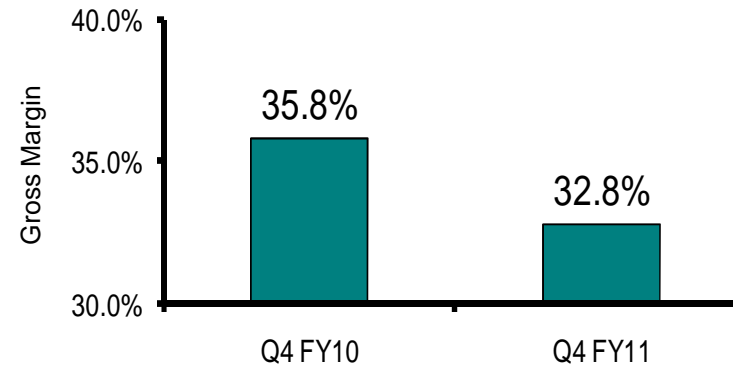
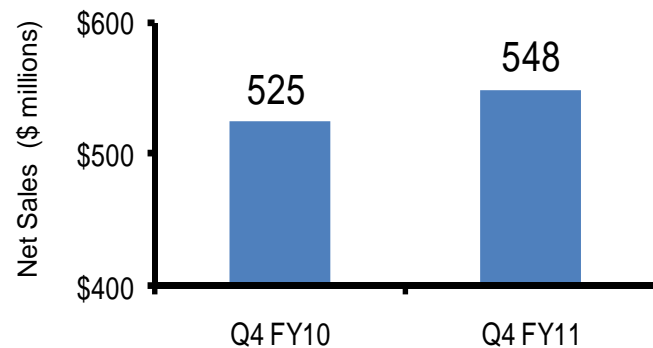
- The demand of our customers and our consumers for our products and our ability to accurately forecast it
- The effect of pricing, product, marketing and other initiatives by our competitors and our reaction to them on our sales, gross margin and profitability
- If our decisions to prioritize investments in our LifeSize division, in growing our sales and marketing in China and other high potential emerging markets, in peripherals for tablets, and in our other investment priorities, do not result in the sales or profitability growth we expect, or when we expect it
- Competition in the video conferencing and communications industry, including from companies with significantly greater resources, sales and marketing organizations, installed base and name recognition, and the rate of adoption of video communications in enterprises
- If significant demand for peripherals to use with tablets and other mobile devices with touch interfaces does not develop, or if market reaction to our peripherals for tablets is less positive than we expect
- If the decline in expected sales for our PC peripherals in mature markets is greater than we expect, or if the sales growth in emerging markets for our PC peripherals and other products does not increase as much as we expect
- If we fail to successfully innovate in our current and emerging product categories and identify new feature or product opportunities
- If there is a deterioration of business and economic conditions or significant fluctuations in currency exchange rates
- If our product introductions and marketing activities do not result in the sales and profitability growth we expect, or when we expect it
- The sales mix between our lower- and higher-margin products and our geographic sales mix

More information about these and other factors impacting Logitech's business and prospects is contained in Logitech's periodic filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 and our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2010, September 30, 2010 and December 31, 2010. Logitech does not undertake to update any forward-looking statements, which speak as of their respective dates.

Q4 FY11 Overview

- Unexpectedly weak performance in EMEA retail sales region caused sales and profitability shortfall compared to previous company outlook
 - Lower than expected demand in second half of March quarter
 - Poor regional execution of pricing and channel programs
- Double-digit sales growth year-over-year in Americas and Asia Pacific retail regions
- LifeSize division sales nearly doubled year-over-year for best quarter ever

Q4 FY11 Overview: Sales & Gross Margin

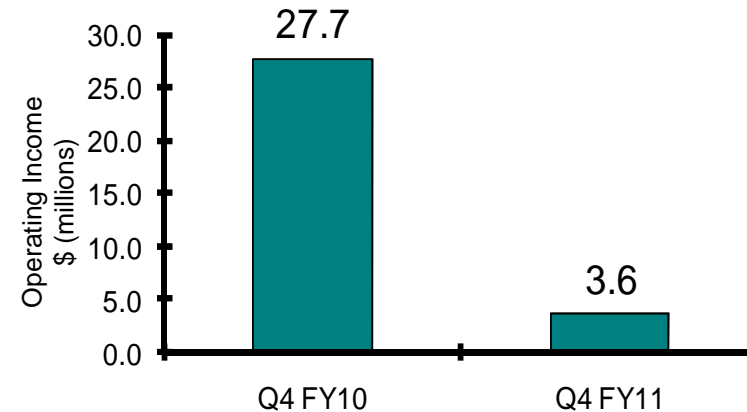
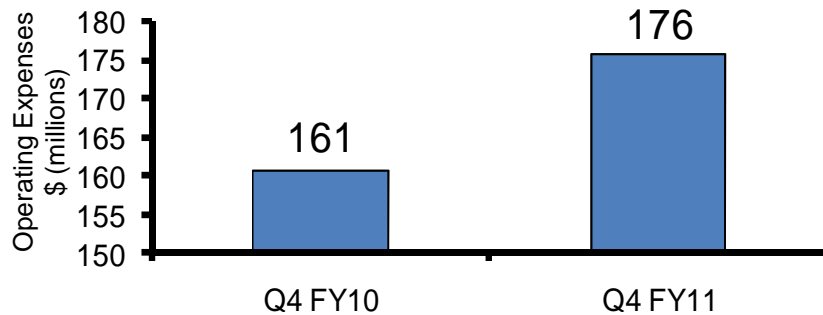


- Total sales +4%,
 - Excluding favorable impact of exchange rate changes, total sales (retail+OEM combined, constant dollars*) +3%
 - Retail sales +2%, led by Asia Pacific region +32%, including sales in China +70% compared to prior year
 - OEM sales -10% due to lower mice sales to our OEM customers, reflecting weakness of new desktop PC sales
 - LifeSize sales \$39M
- Gross margin -300bp y-o-y and -320bp sequentially
 - Most significant driver of decline was poor performance of EMEA retail sales region

Note: Comparison is Y/Y unless noted otherwise

*Information in constant dollars is calculated by translating prior period local currency results at the current period's average exchange rate.

Q4 FY11 Overview: Operating Expense & Operating Income



- Operating expenses +9%

- Increase was in Sales & Marketing, reflecting advertising programs in support of Harmony product family, Logitech Revue for Google TV and growth of the LifeSize sales team
- R&D -4% and G&A was flat

- Operating income -87%

- Resulted from EMEA shortfall in sales and profitability



Q4 FY11 Financial Results

Dollars (in millions, except per share data)

	Q4 FY11	Q4 FY10	% Δ
NET SALES	\$548	\$525	+4%
GROSS PROFIT	\$179	\$188	-5%
<i>% of net sales</i>	32.8%	35.8%	-300bp
S&M	\$107	\$90	+19%
<i>% of net sales</i>	19.5%	17.1%	
R&D	\$38	\$40	-4%
<i>% of net sales</i>	7.0%	7.6%	
G&A	\$31	\$31	0%
<i>% of net sales</i>	5.6%	5.9%	
OPERATING INCOME	\$4	\$28	-87%
NET INCOME	\$3	\$24	-89%
EPS	\$0.02	\$0.14	-86%
DILUTED SHARES OUT.	180	178	1%

Balance Sheet

	Mar. 31, 2011	Mar. 31, 2010
Dollars (in millions)		
CASH	\$478	\$320
ACCOUNTS RECEIVABLE <i>DSO</i>	\$258 42 Days	\$195 33 Days
INVENTORY <i>Inventory turns</i>	\$281 5.2	\$220 6.1
ACCOUNTS PAYABLE <i>DPO</i>	\$298 73 Days	\$258 69 Days
CASH CONVERSION CYCLE	38 Days	23 Days

Cash Generation

- Q4 cash flow from operations was \$2M, a decrease of \$64M compared to Q4 of prior year
 - Reflects large sequential reduction in accounts payables and accrued liabilities in Q4 of this year as well as lower net income
- Cash conversion cycle was 38 days
 - DSO was 42 days (up by 9 days from record low last year but second lowest DSO for a Q4 in last 10 years)
 - Inventory +28%, with inventory turns at 5.2, down from 6.1 in prior year
 - Most significant driver in year-over-year increase was our Google TV related inventory, which was not included in the mix in the prior year

Retail Sales Region Summary

Q4 FY11



- Total retail sales +2% and units +12%

Q4 FY11

	Sales Into Channel	Sell-Through
Asia	32%	12%
Americas	11%	12%
EMEA	-17%	-1%*

*In local currency

- EMEA and Asia sales into the channel, in constant dollars¹, -17% and +28% respectively
- Overall retail average selling price -9% from prior year and -19% sequentially
 - Share of retail products with ASPs above \$100 = 14% of retail sales, down from 16% in prior year

¹Information in constant dollars is calculated by translating prior period local currency results at the current period's average exchange rate.

Note: Comparison is Y/Y unless noted otherwise



Product Category Summary

	Q4 FY11 YoY Change		FY11 YoY Change	
	Revenue	Units	Revenue	Units
Pointing Devices	4%	12%	17%	27%
<i>Cordless Mice</i>	14%	34%	27%	52%
<i>Corded Mice</i>	-21%	-6%	-7%	6%
Keyboards/Desktop	21%	22%	19%	23%
<i>Cordless KB + DT</i>	32%	43%	28%	39%
<i>Corded KB + DT</i>	6%	11%	4%	15%
Video	3%	16%	12%	20%
Audio	-16%	3%	3%	2%
Gaming	-10%	-26%	-3%	-27%
<i>PC Platform</i>	-20%	-21%	-12%	-20%
<i>Console Platform</i>	22%	-36%	21%	-37%
Digital Home*	13%	38%	75%	94%
<i>Remote Control</i>	-6%	29%	46%	79%
<i>Revue</i>	N/A	N/A	N/A	N/A
Total Retail	2%	12%	15%	19%
OEM	-10%	-13%	13%	9%
Total (excluding LifeSize)	1%	3%	15%	15%

*Digital Home product category includes Harmony remotes, Logitech Revue and associated peripherals for the Google TV platform

Selected Q4 Retail Product Family Highlights



- Keyboards was best performing category with sales +21%
 - Growth in all retail regions, led by Americas and Asia Pacific, and primarily driven by wireless offerings including wireless desktop sets (mouse and keyboard combination set)
- Digital Home sales +13%
 - This category combines Harmony Remotes, Logitech Revue with Google TV and peripherals associated with Google TV platform
 - Sales of Logitech Revue and our Google TV peripherals were \$5M
 - Harmony remote sales -6% while units grew +29%
 - Sales decline entirely due to -31% decline in EMEA
 - Stronger unit growth reflects contribution from several remotes priced below \$100
- Pointing Devices sales +4%
 - Very strong sales in Asia +33%, +8% in Americas and EMEA -14%
 - Growth driven primarily by cordless mice



Growth Opportunities

- Focused on rapidly realigning our resources and prioritizing our spending to support our most promising growth opportunities in the new fiscal year and beyond
 - LifeSize – enabling high quality video communications everywhere
 - China and Emerging Markets More Broadly – expanding into tier 3, 4 and 5 markets in China while maintaining focus on developing high volume products with cost structures that support our overall margin targets
 - Tablet peripherals – first of many new products announced in April
 - Unified Communications – organizing existing assets to address this significant B2B opportunity
 - Next generation of Google TV – growing opportunity to develop a new installed base for our products as Internet connected TVs grow in popularity



FY 2012 Outlook

FY 2012 Outlook

Sales	~\$2.6B	+10% y-o-y
Gross margin	~35%	
Operating Income	~\$185M	+30% y-o-y

Notes:

- Fiscal Year 2012 tax rate expected to be ~15%
- Key planning assumption underpinning our outlook for fiscal 2012 is that we will experience a decline in sales of our PC peripherals in mature markets

Summary

- Achieved FY11 sales growth of 20% and operating income nearly doubled
- Focused on clear priorities in FY12
 - Getting our business in EMEA back on track
 - Leveraging our most promising opportunities for future growth
 - LifeSize, China & Emerging Markets, Tablets, Unified Communications and the next generation of Google TV
 - Realigning our resources to support those growth initiatives
 - Delivering on our Fiscal 2012 financial targets



Appendix

Sell-through Data

- Measures sales of our products by retailer customers to consumers and by our distributor customers to their customers
- Compiled by Logitech from data supplied by our customers
- Customers supplying sell-through data vary by geographic region and from period to period, but typically represent a majority of our retail sales
- Data is subject to limitations and possible error sources and may not be an entirely accurate indicator of actual consumer demand for our products. Limitations and possible error sources include the following:
 - Data supplied by our customers may not be indicative of sell-through experienced by our customers as a whole
 - Reliability of the data depends on accuracy and timeliness of information supplied to us by our customers, and the processes by which they collect their sell-through data is largely outside our control
 - In the U.S., Canada, and to a lesser extent Asia Pacific, and a still lesser extent, EMEA, sell-through data is based on Point of Sale electronic data. Where POS data is not available, the data is collected largely through manual processes, including the exchange of spreadsheets or other non-automated methods of data transmission, which are subject to typical human errors, including errors in data entry, transmission and interpretation.



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