



## **Logitech Announces Financial Results for Q2 FY 2010**

FREMONT, Calif., Oct. 21, 2009 and ROMANEL-SUR-MORGES, Switzerland, Oct. 22, 2009 — Logitech International (SIX: LOGN) (Nasdaq: LOGI) today announced financial results for the second quarter of Fiscal Year 2010.

Sales for Q2 were \$498 million, a decrease of 25 percent compared to \$665 million in the same quarter last year. Excluding the unfavorable impact of exchange rate changes, sales decreased by 24 percent.

Operating income for Q2 was \$27 million, compared to \$80 million in the same quarter a year ago. Net income for the quarter was \$21 million (\$0.11 per share) compared to net income of \$72 million (\$0.39 per share) in Q2 FY 2009. Gross margin for the second quarter was 30.5 percent compared to 34.3 percent in Q2 FY 2009.

Logitech's retail sales for Q2 declined by 19 percent year over year, with sales down by 5 percent in the Americas, 24 percent in EMEA, and 28 percent in Asia. OEM sales were down by 54 percent.

"Our Q2 results demonstrate that we continue to deliver on our plan to navigate the downturn," said Gerald P. Quindlen, Logitech president and chief executive officer. "I was pleased that we delivered the predicted return to profitability, driven by a substantial improvement in gross margin compared to Q1 and our ongoing diligence in controlling expenses. Our sales and profitability both benefited from better-than-expected sell-through of our products in the Americas and EMEA.

"Our sustained focus on working capital management resulted in cash flow from operations of \$133 million for the first half of the fiscal year. This represents an improvement of 59 percent compared to the first half of the prior year, in spite of dramatically worse economic conditions.

"We've entered the second half of Fiscal Year 2010 well positioned for continued improvements in our operating performance. In both EMEA and the Americas, the reset of our channel partners' weeks of supply is essentially complete. Our new products are being well received by customers and will be well represented on retail shelves for the holiday season. Even assuming no improvement in consumer spending, we anticipate a return to year-over-year profit growth starting in Q3."

### **Outlook**

For the third quarter of FY 2010, Logitech expects sales within the range of \$575 million to \$595 million, gross margin of approximately 31 percent, and operating income in the range of \$45 million to \$50 million.

### **Earnings Teleconference and Webcast**

Logitech will hold an earnings teleconference on Thursday, Oct. 22, 2009 at 8:30 a.m. Eastern Daylight Time and 14:30 Central European Summer Time. A live webcast of the call, along with presentation slides, will be available on the Logitech corporate Web site at <http://ir.logitech.com>.

### **About Logitech**

Logitech is a world leader in personal peripherals, driving innovation in PC navigation, Internet communications, digital music, home-entertainment control, gaming and wireless devices. Founded in 1981, Logitech International is a Swiss public company listed on the SIX Swiss Exchange (LOGN) and on the Nasdaq Global Select Market (LOGI).

# # #

This press release contains forward-looking statements, including the statements regarding anticipated sales, operating income and gross margin for Q3 FY 2010, a return to profit growth in Q3 FY 2010, and the Company being positioned for

continued improvement in operating performance. The forward-looking statements in this release involve risks and uncertainties that could cause Logitech's actual results to differ materially from that anticipated in these forward-looking statements. Factors that could cause actual results to differ materially include: our inability to predict the timing and strength of the improvement in our business, operating results and financial condition; the demand of our customers and our consumers for our products and our ability to accurately forecast it; consumer reaction to our new product lineup; the effect of pricing, product, marketing and other initiatives by our competitors, and our reaction to them, on our sales, gross margins and profitability; if we fail to take advantage of long-term trends in the consumer electronics and personal computers industries; if we fail to successfully innovate in our current and emerging product categories and identify new feature or product opportunities; the sales mix among our lower- and higher-margin products and our geographic sales mix; as well as those additional factors set forth in our periodic filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended March 31, 2009, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, available at [www.sec.gov](http://www.sec.gov). Logitech does not undertake to update any forward-looking statements. Logitech, the Logitech logo, and other Logitech marks are registered in Switzerland and other countries. All other trademarks are the property of their respective owners. For more information about Logitech and its products, visit the company's Web site at [www.logitech.com](http://www.logitech.com).

