



## **Logitech Announces First Quarter Financial Results for FY 2010**

### **Results In Line with Outlook, Company Expects Return to Profitability in Q2**

FREMONT, Calif., July 22, 2009 and ROMANEL-SUR-MORGES, Switzerland, July 23, 2009 — Logitech International (SIX: LOGN) (Nasdaq: LOGI) today announced financial results for the first quarter of Fiscal Year 2010.

Sales for Q1 were \$328 million, a decrease of 36 percent compared to \$509 million in the same quarter last year. Excluding the unfavorable impact of exchange rate changes, sales decreased by 33 percent.

The Company posted an operating loss of \$33 million, compared to operating income of \$30 million in the same quarter a year ago. The net loss for Q1 was \$36 million (\$0.20 per share) compared to net income of \$29 million (\$0.16 per share) in Q1 FY 2009. During the quarter, Logitech recorded pre-tax restructuring charges of \$1.4 million (\$1.1 million after tax or \$0.01 per share). Gross margin for Q1 was 24.4 percent compared to 34.1 percent in Q1 FY 2009.

Logitech's retail sales for Q1 FY 2010 declined by 35 percent year over year, with sales down by 39 percent in EMEA, 37 percent in the Americas, and 22 percent in Asia. OEM sales were down by 39 percent.

"Our results were consistent with the outlook we shared at the start of the quarter," stated Gerald P. Quindlen, Logitech president and chief executive officer, "with slightly higher sales and a lower operating loss than anticipated. During Q1, we made substantial progress in helping our channel partners reset to their new, lower levels of weeks of supply. While there is still more progress to be made, we continue to expect this reset to be completed by the end of the second quarter, which will benefit both our sales and our profitability in the second half of the fiscal year. We ended Q1 with a cash balance of \$567 million, an increase of more than \$80 million over the same period last year – due to our sustained focus on working capital management.

"We expect a return to profitability in Q2 as well as a return to earnings growth for the second half of FY 2010, due to the combined impact of the conclusion of our channel partners' reset, our ongoing cost-reduction measures and the introductions during Q2 of most of our new products for the FY 2010 holiday season. Designed for today's more discerning consumers, our new lineup of products is expected to stimulate demand and reduce promotional pressures during the second half of the fiscal year."

#### **Outlook**

For the second quarter of FY 2010, Logitech expects sales within the range of \$465 million to \$485 million, gross margin within the range of 27 percent to 29 percent, and operating income of up to \$10 million.

#### **Earnings Teleconference and Webcast**

Logitech will hold an earnings teleconference on Thursday, July 23, 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).

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This press release contains forward-looking statements, including the statements regarding a return to profitability in Q2 FY 2010 and earnings growth for the second half of FY 2010, the expected timing of the channel reset and its impact on sales and profitability in the second half of FY 2010, the impact of Logitech's new product lineup on demand and promotional pressures

during the second half of FY 2010, and anticipated sales, operating income and gross margin for Q2 FY 2010. 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 depth and length of the deterioration of general economic conditions and its impact on 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, available at [www.sec.gov](http://www.sec.gov). Logitech does not undertake to update any forward-looking statements.

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