Logitech is posting a copy of these prepared remarks, its press release and accompanying slides to its investor website. These prepared remarks will not be read on the call. To access the live webcast or replay of the question and answer session, please visit the Investor Relations section of Logitech's website at http://ir.logitech.com.

COMPANY COMMENTARY

Following is a summary of the company's comments on key areas impacting Q1 Fiscal 2012 performance.

LOGITECH REVUE PRICE REDUCTION

Q1 was a very weak quarter for sales of Logitech Revue. While we lowered the retail price to \$249 during the quarter, it had little impact on consumer acceptance. Our enthusiasm for the promise of the Google TV platform has always been focused on the opportunity to develop another large installed base for our products over time. Up until now, the installed base has remained relatively small. Therefore, with the goal of accelerating adoption of the Google TV platform, we have elected to reduce the retail price from \$249 to \$99 during Q2.

We believe that this action will remove price as a meaningful barrier to broad consumer acceptance. We expect the lower price, particularly when combined with the upcoming enhancements to the Google TV platform, including the availability of an apps marketplace, should provide the consumer with a compelling value proposition. (See Gross Margin section for related comments on the pricing action.)

EMEA SALES REGION

As we expected entering the quarter, we continued to experience weakness in consumer demand for our products across much of Western Europe. This weakness was most pronounced in the mature markets in Southern Europe, such as Italy and

Spain, where the economic environment was particularly challenged. Despite weak demand within the region, the overall level of inventory carried by our channel partners declined sequentially by 22% during Q1. We are pleased with the progress made in Q1, but believe it will take another one to two quarters before all of our customers have aligned their channel inventory levels with the current demand environment.

Back in April, we cited several Logitech execution issues that negatively impacted our performance in EMEA and said we expected it would take up to two quarters to address those issues. In Q1, we largely stabilized the pricing and channel programs that created most of the execution issues. However, we now believe it will take us the remainder of the fiscal year to fully implement the operational changes that are needed to get the region back on track. This extended implementation window has also resulted in a reduction of our expectations for EMEA sales in Fiscal 2012.

There were several highlights within EMEA during the quarter. We achieved strong growth in emerging markets, particularly in Russia. We also saw a sequential improvement in year over year sell-through performance in Germany, our largest market in the region.

AMERICAS SALES REGION

Sales in the Americas in Q1 were negatively impacted by much weaker than expected performance in the Digital Home category, which includes Logitech Revue and Harmony remote controls. (See Digital Home section for additional detail). We delivered year-over-year growth in the Americas in Q1 in several product categories, including Keyboards & Desktops, Gaming, and Pointing Devices.

ASIA PACIFIC SALES REGION

We were very pleased with the sales growth we achieved in our Asia Pacific region during Q1. The growth was driven primarily by sales in China, with sales nearly

doubling compared to the prior year. Our success in China demonstrates continued progress executing our plan to make this one of our three largest markets. China remains one of our top priorities for investment in Fiscal 2012.

LIFESIZE

Our LifeSize division delivered strong sales growth in Q1, with sales increasing by 34% vs. the prior year. This was LifeSize's best quarter ever for billings, demonstrating continued expansion in the overall size of the business.

During the last few weeks we have issued a number of announcements that collectively strengthen the foundation for sustained growth in our LifeSize division, including:

LifeSize Connections – A cloud based, business class, HD video collaboration platform that delivers seamless, secure, HD video calling across the enterprise – connecting LifeSize video systems in conference rooms to desktop users on PCs or Macs. LifeSize Connections features up to nine-way multipoint calling, integrated firewall traversal, and cloud-based scalability to reduce costs and IT support.

LifeSize Passport Connect – An HD video conferencing system optimized for cloud-based platforms with plug-and-play technology and the best price performance available today below \$1,000 with a one-year LifeSize Connections subscription.

Acquisition of Mirial – Logitech has acquired Mirial, a leading provider of personal and mobile video conferencing solutions. Mirial will be integrated into the LifeSize division. Mirial's solutions address one of the most substantial challenges to the adoption of video calling across the enterprise: using video to connect with remote colleagues and partners on a variety of mobile devices, such as the iPad and iPhone, and networks.

LifeSize now offers a comprehensive portfolio of video collaboration solutions, including endpoints, infrastructure, and mobile video calling. We are achieving significant progress in making video communications as ubiquitous as voice-only calls are today.

The momentum we've established with LifeSize plays a key role in our strategy to unlock the significant long-term growth potential associated with Unified Communications (UC). For us, UC is about integrating voice and video to connect people and companies across any and every platform. Our UC strategy is focused on making it accessible with simple, scalable technology and superior total cost of ownership. With video poised to become the next evolution of communication, more closely representing in-person interaction than any other communication platform, we believe we are increasingly well positioned to ride the UC growth wave.

ADDITIONAL FINANCIAL COMMENTS

Q1 FISCAL 2012 RESULTS

SALES

The growth percentages that follow are in comparison to Q1 Fiscal 2011

- Our retail sales were flat and were down by 5% in local currency. Units grew by 2%
- Looking at our regional sales in local currency, EMEA was down by 23% and Asia Pacific grew by 24%, compared to a U.S. dollar decline of 14% in EMEA and U.S. dollar growth of 29% in Asia Pacific
- Retail units were flat in the Americas, down by 13% in EMEA, and up by 31% in Asia Pacific
- Our overall retail average selling price in Q1 was down by 2% from the prior year and unchanged sequentially
- Sales of our retail products priced above \$100 represented 15% of our retail sales in Q1, the same as in the prior year and up slightly from 14% in the prior quarter

GAMING

Gaming was our best-performing retail product category during the quarter, with sales up by 51% and units down by 7%. We saw strong growth in both PC and console gaming across all of our retail regions. The majority of the growth in PC, and all of the growth in console, was due to very strong sales of our steering wheels. These wheels carry a relatively high selling price compared to our other gaming products, which was the main factor in the disconnect between sales and unit growth in the overall gaming category.

KEYBOARDS & DESKTOPS

Q1 was a strong growth quarter in the keyboard & desktop category, with sales increasing by 26% compared to the prior year. The growth was driven by the combination of cordless keyboards, led by the Wireless Solar Keyboard K750, and our initial roll-out of iPad specific keyboard products, including the Keyboard Case for iPad2 and the Tablet Keyboard for iPad. We are encouraged by our recent progress in the tablet accessories space and plan to significantly expand our line-up as we move through the fiscal year.

VIDEO

We achieved sales growth of 6% in the Video category with units declining by 9%. The growth in sales was driven entirely by the Logitech Alert line of digital video security systems. Sales in the webcam category declined by 7% with a 10% decline in units.

POINTING DEVICES

Sales in our pointing devices category were flat, with units up by 9%. We experienced a decline in sales in EMEA that was offset by the growth in the Americas and Asia Pacific. It was a good quarter for cordless mice, with sales up by 10% and units by 24%. We experienced strong growth in sales and units in both the high-end and low-end of the cordless mice category. We delivered cordless mice sales growth in both the Americas

and Asia Pacific, with sales in China more than doubling. Unit sales of cordless mice grew in all three regions, with the strongest growth in China.

AUDIO

Audio sales were down by 15%. The decline was spread across multiple product families, with our Ultimate Ears line of earphones providing the sole source of growth. From a regional perspective, our weakest performance was in EMEA. We delivered strong growth in our Asia Pacific region.

DIGITAL HOME

Our weakest performing category during Q1 was Digital Home, which includes our Harmony remotes as well as Logitech Revue and our Google TV peripherals. Digital Home sales declined by 53%.

Sales of our Harmony remotes were down by 48%. The decline in our sales was steepest in EMEA, which primarily reflects relatively slow moving inventory in the channel due to weak macro conditions in a number of countries, combined with the impact from our own execution issues within the region.

As previously noted, sales of our remotes also fell in the Americas. The decline in the Americas was primarily related to timing issues. In Q1 of the prior year we initiated volume shipments of several new Remotes, including the Harmony 300 and the Harmony 650. We did not launch any new Remotes in Q1 of the current fiscal year. In addition, one of our customers in the region elected to pull in a sizable order for Remotes from Q1 of the current fiscal year to Q4 of last year in support of a promotional campaign. Even with the decline in sales, we gained both value and unit share in Remotes in the Americas during Q1, and we expect to return to growth in the category in the region this quarter.

Sales of Logitech Revue were slightly negative during the quarter, as returns of the product were higher than the very modest sales. We believe the significantly lower everyday price for Logitech Revue, reduced from \$249 to \$99, will generate improved sales.

OEM

In OEM, our sales declined by 16%. The biggest single factor in the decline was much lower sales of microphones for console gaming, which fell by over 80%. Console microphone sales are opportunistic and continue to be subject to significant variations on both a year-over-year and sequential basis. Sales of mice to our OEM customers declined by 12%, primarily due to softness in sales of new desktop PCs.

GROSS MARGIN

Our Q1 gross margin declined by 920 basis points compared to the prior year and was down by 670 basis points sequentially. The most significant driver of both the year-over-year and sequential decline was the \$34M non-cash charge to our cost of goods sold for the price reduction of Logitech Revue. This charge was to revalue the inventory on-hand and at our suppliers to the lower of cost or market since we will be selling the product to our customers at a price that is below our cost. This was not a charge for obsolescence as Revue supports over-the-air updates for software and firmware. Excluding this charge, our gross margin in Q1 would have been 33.2%. (See GAAP to Non-GAAP Reconciliation at end of this document for more information.)

OPERATING EXPENSES

- Our operating expenses were up by 9%
- Roughly half of the increase reflects investments in LifeSize
- Sales and marketing grew by 9%, R&D was up by 4% and G&A grew by 13%
- Well over half of the increase in sales and marketing, and nearly all of the increase in R&D, were in our LifeSize division as we continue to invest to drive future growth

G&A was flat on a sequential basis

OTHER INCOME

 Other income of \$5.2M includes a gain of \$4.9M from the sale of a manufacturing facility in China that we exited several years ago when we moved to our current facility

BALANCE SHEET

- Our quarter ending cash position was \$476M
 - Our cash was essentially unchanged from the March quarter and up by \$159M compared to the prior year
- Our cash flow from operations in Q1 was \$4M, essentially unchanged from \$6M in the prior year despite this year's net loss
 - The significant decline in net income compared to the prior year was more than offset by a sequential decline in accounts receivable combined with a lower sequential increase in inventory
 - Our cash conversion cycle in Q1 was 43 days, 14 days higher than the same quarter last year due to lower days payables and higher DSO this year
- Our inventory increased by \$38M, or 13%, compared to the prior year, with nearly identical growth compared to the March quarter
 - There were several factors that drove the year-over-year increase, including our Google TV-related inventory, which is not included in the prior year, the impact of a stronger EURO on our inventory in EMEA, and inventory investment to support our growth in Asia Pacific
 - o Inventory turns were 4.5, up from 4.4 in the prior year

 Our DSO was 45 days, up by 5 days from last year but still our second lowest DSO for a Q1 in the last 10 years

SHARE REPURCHASES

- We did not repurchase any shares during Q1
- We own approximately 6.4% of our shares outstanding
- We have a \$250M board approved program that we have not yet utilized

FISCAL YEAR 2012 OUTLOOK

For Fiscal Year 2012, ending March 31, 2012, we have lowered our sales outlook from approximately \$2.6 billion to approximately \$2.5 billion. We have lowered our full-year FY 2012 outlook for operating income from \$185M to equal to or greater than last year's \$143M. We target our full year tax rate at approximately 18%. We plan to provide an update on our gross margin outlook at a later date.

CLOSING COMMENTS

We continue to target sales growth for Fiscal 2012. The price reduction on Logitech Revue improves the positioning of the product and the outlook for our Digital Home category. Our first tablet accessories have been well received thus far and we expect to introduce more soon. We are making good progress improving our operations in EMEA and we have strong growth momentum in emerging markets, particularly in China. LifeSize continues to provide market-leading solutions with compelling price/performance advantages. The growing breadth of our Unified Communications portfolio and distribution provide additional opportunity.

We enter the second quarter with a focus building momentum for the remainder of the year, aligning our resources with our highest growth opportunities, and returning to consistent profitability

FORWARD LOOKING STATEMENTS

These prepared remarks contain forward-looking statements, including the statements regarding anticipated sales, operating income, and tax rate for Fiscal Year 2012; expected impacts of the reduction of the price of Logitech Revue; expected timing for EMEA channel partners to adjust their inventory levels to the demand environment and for the implementation of EMEA operational changes; growth opportunities, and the timing for that growth, in China, our LifeSize division and unified communications; and returning to consistent profitability.

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
- 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
- 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 the price drop of Logitech Revue does not have the intended positive impact on sales and consumer adoption of the Google TV platform and consumer reaction to and demand for Google TV and our products for it continue to be less positive than we expect, or if Google fails to support or continue the Google TV platform
- If the consumer demand environment in EMEA continues to be weak, or if our operational changes in EMEA are not completed when we expect, or do not result in the sales improvement in EMEA we expect
- 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 in one or more of our sales regions 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, 2011. Logitech does not undertake to update any forward-looking statements, which speak as of their respective dates.

GAAP to NON-GAAP RECONCILIATION

SUPPLEMENTAL FINANCIAL INFORMATION

(In thousands, except per share amounts) - Unaudited

| | | Qtr Ended June 30, | |
|---|----|--------------------|----------------|
| Reconciliation of GAAP to Non-GAAP Financial Measures | | 2011 | 2010 |
| GAAP measures: | | | |
| GAAP net sales | \$ | 480,441 | 479,330 |
| GAAP gross profit | | 125,607 | 169,029 |
| GAAP gross margin | | 26.1% | 35.3% |
| Adjustments to GAAP measures: | | | |
| Charge related to planned repricing of Logitech Revue for Google TV | | 34,074 | - . |
| Non-GAAP measures: | | | |
| Non-GAAP gross profit | \$ | 159,681 | 169,029 |
| Non-GAAP gross margin | | 33.2% | 35.3% |

We sometimes use information derived from consolidated financial information but not presented in our financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. Our management uses these non-GAAP measures in its financial and operational decision-making. Our management believes these non-GAAP measures, when considered in conjunction with the corresponding GAAP measures, facilitate better comparison by our investors of our recent period results with corresponding prior periods.