



Logitech

Q4 Fiscal 2008

April 22, 2008

Forward-Looking Statements



- This presentation contains forward-looking statements, including the statements regarding expected sales and operating income growth, gross margin and tax rate for fiscal 2009 as well as the FY09 outlook for individual product categories.
- 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:
 - If we fail to successfully innovate in our current and emerging product categories and identify new feature or product opportunities
 - Consumer demand for our products and product categories 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
 - Our ability to continue to implement our plan to control operating expenses while growing sales
 - The sales mix between our lower- and higher-margin products and our geographic sales mix
 - Our retail video marketing activities and product introductions not resulting in the growth we expect or when we expect it
- 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 its annual report on Form 20-F for the year ending March 31, 2007, and quarterly filings on Form 6-K, available at www.sec.gov. Logitech does not undertake to update any forward-looking statements which speak as of their respective dates.

Income Statement Summary

Q4 FY08



*Best Q4 ever for sales, gross margin,
operating income and net income*

- Continued double digit sales growth, +17% to \$601M
 - Retail +15% and OEM +34%
 - Growth in all retail regions
- Gross margin +110 bp to 35.6%, with gross profit +20%
 - Gross margin improvement driven by a combination of ongoing product cost reductions, particularly in the pointing devices and PC speaker categories, as well as supply chain efficiencies
- Operating income +20% to \$66M
- Net income +20% to \$67M, excluding a \$6.9M write-down of the remaining CDOs in our portfolio

Balance Sheet Summary

March 2008



- Cash of \$486M, +\$75M vs. prior year
 - Cash increased even after using \$12M to pay-off short-term debt, \$22M for WiLife acquisition and \$220M to repurchase shares during FY08
 - Includes \$3.9M in short-term investments
- Cash conversion at 46 days, down by 8 days yoy
- Inventory increased by \$28M, up 13%
 - Inventory turns improved to 6.3
- Days Sales Outstanding up slightly to 56 days
- Strong cash flow from operations of \$103M in Q4 and \$393M in FY08
- Repurchased ~3M shares in Q4
 - Own ~6.5% of our shares outstanding
 - ~\$205M remaining under current repurchase program

Retail Sales Region Summary

Q4 FY08



- Total retail sales +15%, with units up 8% and growth in all regions
 - Americas sales +8% with units +13%
 - EMEA sales +13% with units -1%
 - Asia sales +58% with units +34%
- Mice and PC speakers strong in all regions

Product Summary



	Q4 FY08		Fiscal 2008	
	Revenue	Units	Revenue	Units
Pointing Devices	38%	22%	22%	14%
<i>Cordless Mice</i>	58%	58%	30%	40%
<i>Corded Mice</i>	24%	11%	14%	3%
Keyboards/Desktop	6%	17%	23%	17%
<i>Cordless KB + DT</i>	-9%	-7%	12%	7%
<i>Corded KB + DT</i>	49%	29%	37%	20%
Video	9%	-8%	-24%	-24%
Audio	15%	-7%	17%	2%
Gaming	-18%	-31%	-2%	-17%
<i>PC Platform</i>	-18%	-19%	3%	-6%
<i>Console Platform</i>	-17%	-43%	-13%	-28%
Remote Control	12%	22%	35%	20%
Total Retail	15%	8%	12%	6%
OEM	34%	11%	36%	12%
TOTAL	17%	9%	15%	8%

Note: Comparison is Y/Y unless noted otherwise

Retail - Pointing Devices

Q4 FY08



- Sales growth +38% to \$167M and units +22%
- Cordless mice sales and units +58%
 - Sales **tripled at high-end** of category, led by continued success of VX Nano cordless laser mouse for notebooks
 - Sales **nearly doubled at low-end** of category with continued strong demand for V220 cordless optical mouse
- Corded mice sales +24% with units +11%
 - Driven by strong demand for notebook mice and gaming mice
- FY09 Outlook: anticipate continued but slower double-digit growth compared to FY08, driven by new products, growing popularity of notebooks, and relatively low penetration rate for cordless mice



Note: Comparison is Y/Y unless noted otherwise

Retail - Keyboards

Q4 FY08



- Sales +6% to \$117M and units +17%
- Stand alone keyboard sales +17% with units +20%
- Desktop sales flat with units +10%
- Notebook stands performing well, led by Alto Cordless
- FY09 Outlook: expect continued but slower double-digit growth compared to FY08, driven by continued innovation, relatively low cordless penetration rate, and products targeted at growing base of notebook users



Note: Comparison is Y/Y unless noted otherwise

Retail - Audio

Q4 FY08



- Sales +15% to \$114M with units -7%
- Speakers sales +24% with units +11%
 - Double digit growth in both iPod and PC speaker categories
 - iPod speaker sales +48% and units +35% led by success of Pure-Fi Anywhere
 - PC speaker sales +21% and units +9%, with particular strength at high-end, with sales up 80%
- PC headset sales -1% with units -13%
- Total Audio unit growth negatively impacted by FY08 exit from categories like mobile phone headsets
- FY09 Outlook: continued double digit growth, with growth expected in both iPod and PC speakers and accelerating momentum in streaming media systems



Note: Comparison is Y/Y unless noted otherwise

Retail - Video

Q4 FY08



- Return to growth with sales +9% to \$60M and units -8%
 - Sales growth driven by very strong demand for high-end webcams
 - QuickCam Pro 9000 and QuickCam Pro for Notebooks helped **quadruple sales of high-end webcams**
- Encouraging signs of improvement
 - Double digit growth in Americas and Asia
 - Significantly slower yoy decline in EMEA than in prior quarters
- FY09 Outlook: build on momentum to return to double digit growth during FY09; expect WiLife to gain in momentum throughout year



Note: Comparison is Y/Y unless noted otherwise

Retail - Gaming

Q4 FY08



- Sales -18% to \$33M with units -31%
- Console gaming sales -17% with units -43%
 - Declines primarily in gamepad category
 - Continued growth in steering wheel category
- PC-gaming sales -18% with units -19%
 - Good growth in gaming keyboards
- FY09 Outlook: anticipate return to double digit growth driven by new products for hot console game titles like GT5



Note: Comparison is Y/Y unless noted otherwise

Retail - Remotes

Q4 FY08



- Sales +12% to \$35M with units +22%
 - Strong initial demand for Harmony One
 - Sales -8% in Americas, reflecting challenging comparable in prior year which included launch of successful \$499 Harmony 1000
 - Strong sell-through in Q4
 - EMEA sales tripled
- Sales in second half FY08 +40%
- FY09 Outlook: expect remotes to be our fastest growing retail category



Note: Comparison is Y/Y unless noted otherwise

OEM Sales

Q4 FY08



- Sales +34% to \$74M and units +11%
- Growth driven primarily by console gaming peripherals sales, led by microphones for singing games for the 3 major console platforms
- Keyboards sales > +50%
- Mice sales +2%
- FY09 Outlook: slower growth expected, with webcam modules for notebooks expected to offset anticipated decline in OEM gaming due to difficult FY09 comparables resulting from title-driven nature of OEM gaming

Q4 FY08 Financial Highlights



- Best Q4 ever for sales, gross margin, operating income and net income
- +17% sales growth demonstrates the combined power of our broad product portfolio and our geographic reach
- Gross margin of 35.6% with 7th consecutive quarter of yoy improvement
- Record operating income +20% to \$66M and net income, excluding write-down of remaining CDOs, +20% to \$67M
- 7th consecutive quarter of yoy improvement in cash conversion cycle

FY08 – Financial Highlights



10th consecutive year of double digit sales growth

- Highest gross margin in company's history at 35.8% = *competitive advantage*
- Operating income at \$287M, +24%
 - Operating margin improves to 12.1% of sales
- +23% growth in net income, excluding impairments related to short-term investments
 - Net margin improves to 11.9% of sales
- Outstanding cash generation and balance sheet
 - Cash flow from operations +29% to \$393M, outpacing growth in operating income

FY09 Outlook



Continue to target 15% growth for both sales and operating income

- Gross margin is expected to be above the high-end of our long-term range of 32-34%
 - Won't hesitate to use our healthy margins to drive top-line growth and sustain category leadership whenever appropriate
- Effective tax rate ~12%
- Near-term indicator
 - Retail shipments in first 3 weeks of Q1 FY09 well ahead of comparable period last year

Impairment Loss on Short-term Investments



(In thousands) - Unaudited

SUPPLEMENTAL FINANCIAL INFORMATION

Reconciliation of GAAP to non-GAAP Financial Measures	Quarter Ended March 31 2008	Twelve Months Ended March 31 2008
GAAP net income	\$ 60,338	\$ 231,026
Adjustments:		
Impairment loss on short-term investments	6,900	79,823
Realized gain on sale of short-term investments	-	(33,712)
Realized loss on sale of short-term investments	-	5,951
	6,900	52,062
Non-GAAP net income	\$ 67,238	\$ 283,088
GAAP net income per share:		
Basic	\$ 0.33	\$ 1.27
Diluted	\$ 0.32	\$ 1.23
Impairment loss on short-term investments, net of realized gain per share		
Basic	\$ 0.04	\$ 0.29
Diluted	\$ 0.04	\$ 0.28
Non-GAAP net income per share:		
Basic	\$ 0.37	\$ 1.56
Diluted	\$ 0.36	\$ 1.51

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. The adjustments between the GAAP and non-GAAP financial measures presented above consist of the impact on Other Income (Expense) of the impairment loss related to other-than-temporary declines in fair value of short-term investments during the three and twelve months ended March 31, 2008, and the realized gain/loss on sales of short-term investments during the twelve months ended March 31, 2008. 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 current period results with corresponding prior periods.

Stock-based Compensation Expense



Stock-based Compensation Expense for Employee Stock Options and Employee Stock Purchases	Quarter Ended March 31		Twelve Months Ended March 31	
	2008	2007	2008	2007
Cost of goods sold	\$ 704	\$ -	\$ 2,706	\$ 2,077
Marketing and selling	1,908	1,772	7,696	7,167
Research and development	1,051	824	3,505	3,151
General and administration	2,118	1,874	7,132	7,069
Income tax benefit	(1,546)	(2,215)	(4,773)	(4,526)
Total stock-based compensation expense after income taxes	\$ 4,235	\$ 2,255	\$ 16,266	\$ 14,938
Stock-based compensation expense for employee stock options and employee stock purchases, net of tax, per share (diluted)	\$ 0.02	\$ 0.01	\$ 0.09	\$ 0.07