

logitech[®]

Lifesize Separation Overview
January 4, 2016

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements regarding: Logitech's percentage ownership in Lifesize and the timing and amount of Logitech's recognition of a non-cash gain and other accounting related to Lifesize. The forward-looking statements in this release involve risks and uncertainties that could cause Logitech's results and events to differ materially from those anticipated in these forward-looking statements. A discussion of the risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in Logitech's periodic filings with the Securities and Exchange Commission, including our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2015 and our Annual Report on Form 10-K for the fiscal year ended March 31, 2015, available at www.sec.gov, under the caption Risk Factors and elsewhere. Logitech does not undertake any obligation to update any forward-looking statements to reflect new information or events or circumstances occurring after the date of this presentation.

Use of Non-GAAP Financial Information

To facilitate comparisons to Logitech's historical results, Logitech has included non-GAAP adjusted measures, which exclude share-based compensation expense, amortization of other intangible assets, restructuring charges (credits), other restructuring-related charges, investment impairment (recovery), benefit from (provision for) income taxes, one-time special charges and other items detailed under "Supplemental Financial Information" in our earnings press release or "Financial Statements only" posted to our website under "Quarterly Results" at <http://ir.logitech.com>. Historical GAAP and corresponding non-GAAP measures are provided under Financial History in the Investors section of our website. Logitech provides non-GAAP financial information for its Retail (excluding OEM and Lifesize) and OEM categories that includes approximations for cost and profitability estimates. Logitech believes this information, used together with the GAAP financial information, will help investors to evaluate its current period performance and trends in its business. With respect to our outlook for non-GAAP operating income, most of these excluded amounts pertain to events that have not yet occurred and are not currently possible to estimate with a reasonable degree of accuracy. Therefore, no reconciliation to the GAAP amounts has been provided for Fiscal Year 2016.

LIFESIZE SEPARATION FROM LOGITECH

- Lifesize has separated from Logitech and become Lifesize, Inc., a private company
 - Three venture capital firms invested a total of \$17.5M in the new Lifesize, Inc.
 - Logitech holds a 37.5% share in the new company, based on shares outstanding immediately following the investment
 - Logitech expects to recognize a non-cash gain of approximately \$15M to \$20M for its fourth quarter of FY16
 - Gain will be reported as part of Discontinued Operations in Q4 FY16
- Lifesize results will no longer be consolidated in Logitech's financial statements starting with Q4 FY16
- Lifesize results for Q3 FY16 and prior periods will be reported in Logitech's financial statements under Discontinued Operations
 - Logitech results from Continuing Operations for prior and future reporting periods will exclude Lifesize
 - Logitech's non-GAAP results and Outlook will exclude Discontinued Operations
- Another step in Logitech's transformation toward a simpler, faster company focused on its growing retail business

SEPARATION IMPACT ON LOGITECH'S FINANCIAL STATEMENTS

- Separation of Lifesize from Logitech will result in several changes to our financial reporting
- Lifesize's results for Q3 FY16 and all prior periods will be removed from Logitech's continuing operations and reported separately on our income statement and balance sheet as Discontinued Operations
 - Discontinued Operations will be reported both before and after tax on our income statement
 - Lifesize's prior period results will be deconsolidated from Logitech's prior period results from continuing operations
 - As a result, Logitech's prior period results for Sales through Operating Profit will change compared to what was previously reported (See slides 6 and 9)
 - No change to Logitech total Net Income or EPS for prior periods
- After the initial non-cash gain (approximately \$15M to \$20M) is recorded in Discontinued Operations (in Q4 FY16), any future gain or loss related to our investment in the new Lifesize company will be reported below the line as Other Income/(Expense)
 - Lifesize results will have no impact on our operating profit in any future periods
 - Logitech's non-GAAP results and Outlook will exclude Discontinued Operations

**NON-GAAP
INCOME STATEMENTS**

**BEFORE DECONSOLIDATION
OF LIFESIZE**

TOTAL LOGITECH (NON-GAAP) BEFORE DECONSOLIDATION OF LIFESIZE

	FY'14	FY'15					FY'16		
Non-GAAP (\$M)	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Net Sales									
Retail	1,866	424	473	574	416	1,887	425	496	922
OEM	142	33	28	30	26	117	22	22	45
Lifesize	121	26	28	30	25	109	23	21	44
Total Net Sales	2,129	482	530	634	467	2,114	470	540	1,010
Gross Profit	743	183	206	232	158	779	173	187	360
<i>% of Sales</i>	34.9%	37.9%	38.8%	36.6%	33.7%	36.8%	36.7%	34.6%	35.6%
Operating Expenses									
Marketing & Selling	363	87	92	99	86	364	85	88	173
<i>% of Sales</i>	17.1%	17.9%	17.4%	15.6%	18.5%	17.2%	18.1%	16.3%	17.1%
Research & Development	133	30	32	32	33	127	33	34	67
<i>% of Sales</i>	6.3%	6.3%	6.0%	5.1%	7.0%	6.0%	7.0%	6.3%	6.6%
General & Administrative	109	25	23	25	24	97	23	23	47
<i>% of Sales</i>	5.1%	5.1%	4.4%	3.9%	5.1%	4.6%	4.9%	4.3%	4.6%
Total Operating Expenses	605	141	147	156	143	588	141	145	287
<i>% of Sales</i>	28.4%	29.3%	27.8%	24.6%	30.6%	27.8%	30.1%	26.9%	28.4%
Operating Income	138	41	59	76	14	191	31	42	73
<i>% of Sales</i>	6.5%	8.6%	11.1%	12.0%	3.1%	9.0%	6.7%	7.7%	7.2%
Interest/Other (net)	2	0	(1)	(1)	2	1	(1)	(1)	(1)
Profit Before Tax	140	41	58	76	16	192	31	41	72
<i>% of Sales</i>	6.6%	8.6%	11.0%	11.9%	3.5%	9.1%	6.5%	7.6%	7.1%
Income Taxes	19	5	7	7	(1)	19	4	5	9
<i>% of Profit Before Tax</i>	13.5%	12.5%	12.5%	9.8%	(4.9%)	10.0%	13.0%	11.9%	12.4%
Net Income	121	36	51	68	17	173	27	36	63
<i>% of Sales</i>	5.7%	7.5%	9.6%	10.8%	3.7%	8.2%	5.7%	6.7%	6.2%
Net Income per Share (diluted)	\$0.75	\$0.22	\$0.31	\$0.41	\$0.10	\$1.04	\$0.16	\$0.22	\$0.38
Diluted Share Count	162.5	165.8	166.1	166.3	166.4	166.2	166.9	165.8	166.4

LIFESIZE (NON-GAAP*)

	FY'14	FY'15					FY'16		
Non-GAAP (\$M)	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Net Sales									
Lifesize	121	26	28	30	25	109	23	21	44
Total Net Sales	121	26	28	30	25	109	23	21	44
Gross Profit	79	17	19	19	15	71	14	14	28
<i>% of Sales</i>	65.5%	67.9%	66.6%	64.3%	61.0%	65.0%	63.2%	64.5%	63.8%
Operating Expenses									
Marketing & Selling	49	12	12	14	13	51	12	11	22
<i>% of Sales</i>	40.4%	45.9%	43.7%	46.9%	50.4%	46.6%	50.9%	51.1%	51.0%
Research & Development	25	5	5	6	5	22	6	6	11
<i>% of Sales</i>	20.9%	20.8%	18.6%	19.8%	21.2%	20.1%	24.5%	27.6%	26.0%
General & Administrative	6	1	1	2	1	5	2	2	3
<i>% of Sales</i>	5.1%	5.4%	3.7%	5.1%	4.8%	4.8%	7.2%	8.2%	7.7%
Total Operating Expenses	80	19	19	21	19	78	19	19	37
<i>% of Sales</i>	66.4%	72.2%	66.0%	71.8%	76.5%	71.5%	82.6%	86.9%	84.7%
Operating Income	(1)	(1)	0	(2)	(4)	(7)	(4)	(5)	(9)
<i>% of Sales</i>	(0.8%)	(4.3%)	0.6%	(7.5%)	(15.4%)	(6.4%)	(19.4%)	(22.4%)	(20.9%)

*Lifesize results will be excluded from Logitech's non-GAAP reporting for all prior and future periods

LOGITECH EXCLUDING LIFESIZE (NON-GAAP)

	FY'14	FY'15					FY'16		
Non-GAAP (\$M)	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Net Sales									
Retail	1,866	424	473	574	416	1,887	425	496	922
OEM	142	33	28	30	26	117	22	22	45
Total Net Sales	2,008	456	502	604	442	2,005	448	518	966
Gross Profit	664	165	187	213	142	708	159	173	332
<i>% of Sales</i>	33.1%	36.2%	37.3%	35.3%	32.2%	35.3%	35.4%	33.4%	34.3%
Operating Expenses									
Marketing & Selling	314	75	80	85	74	313	74	77	151
<i>% of Sales</i>	15.7%	16.4%	15.9%	14.1%	16.7%	15.6%	16.5%	14.8%	15.6%
Research & Development	108	25	26	26	28	105	27	28	55
<i>% of Sales</i>	5.4%	5.4%	5.2%	4.4%	6.2%	5.2%	6.1%	5.4%	5.7%
General & Administrative	103	23	22	23	23	91	22	22	43
<i>% of Sales</i>	5.1%	5.1%	4.4%	3.8%	5.2%	4.6%	4.8%	4.2%	4.5%
Total Operating Expenses	525	123	128	135	124	510	123	127	249
<i>% of Sales</i>	26.1%	26.9%	25.6%	22.3%	28.1%	25.4%	27.4%	24.4%	25.8%
Operating Income	139	43	59	79	18	198	36	47	82
<i>% of Sales</i>	6.9%	9.3%	11.7%	13.0%	4.1%	9.9%	8.0%	9.0%	8.5%

GAAP INCOME STATEMENTS

BEFORE DECONSOLIDATION
OF LIFESIZE

LIFESIZE (GAAP)*

	FY'14	FY'15					FY'16		
GAAP (\$M)	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Net Sales									
Lifesize	121	26	28	30	25	109	23	21	44
Total Net Sales	121	26	28	30	25	109	23	21	44
Gross Profit	66	17	18	19	15	69	14	13	27
<i>% of Sales</i>	55.0%	65.8%	64.7%	62.5%	59.0%	63.0%	60.9%	63.2%	62.0%
Operating Expenses									
Marketing & Selling	57	14	14	16	13	57	12	11	23
<i>% of Sales</i>	47.3%	53.8%	50.7%	52.9%	51.0%	52.1%	51.4%	51.7%	51.5%
Research & Development	27	6	5	6	5	23	6	6	12
<i>% of Sales</i>	22.3%	21.7%	19.2%	20.8%	21.9%	20.8%	25.0%	28.1%	26.5%
General & Administrative	6	1	1	2	1	5	2	2	3
<i>% of Sales</i>	5.2%	5.5%	4.0%	5.5%	5.0%	5.0%	7.5%	8.3%	7.9%
Restructuring Charges	6	0	-	(0)	-	(0)	1	6	7
<i>% of Sales</i>	4.8%	0.1%	0.0%	(0.5%)	0.0%	(0.1%)	6.4%	26.0%	15.9%
Goodwill Impairment	-	-	-	-	123	123	-	-	-
<i>% of Sales</i>	0.0%	0.0%	0.0%	0.0%	492.0%	112.6%	0.0%	0.0%	0.0%
Total Operating Expenses	96	21	21	24	142	208	20	24	45
<i>% of Sales</i>	79.6%	81.2%	73.8%	78.7%	570.0%	190.4%	90.3%	114.1%	101.9%
Operating Income	(30)	(4)	(3)	(5)	(127)	(139)	(7)	(11)	(18)
<i>% of Sales</i>	(24.6%)	(15.4%)	(9.1%)	(16.2%)	(511.0%)	(127.4%)	(29.4%)	(50.9%)	(39.8%)

*Lifesize results for Q3 FY16 and prior periods will be reported solely as Net Income and EPS from Discontinued Operations

LOGITECH (GAAP) EXCLUDING LIFESIZE

	FY'14	FY'15					FY'16		
GAAP (\$M)	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Net Sales									
WW Retail	1,866	424	473	574	416	1,887	425	496	922
WW OEM	142	33	28	30	26	117	22	22	45
Total Net Sales	2,008	456	502	604	442	2,005	448	518	966
Gross Profit	662	165	186	213	142	705	158	173	330
<i>% of Sales</i>	32.9%	36.1%	37.1%	35.2%	32.0%	35.2%	35.3%	33.3%	34.2%
Operating Expenses									
Marketing & Selling	323	77	81	87	76	322	76	79	155
<i>% of Sales</i>	16.1%	16.9%	16.2%	14.5%	17.1%	16.0%	16.9%	15.2%	16.0%
Research & Development	112	26	27	27	28	108	28	29	57
<i>% of Sales</i>	5.6%	5.6%	5.4%	4.5%	6.4%	5.4%	6.3%	5.6%	5.9%
General & Administrative	113	35	33	28	29	126	29	25	54
<i>% of Sales</i>	5.6%	7.7%	6.6%	4.7%	6.6%	6.3%	6.4%	4.8%	5.6%
Restructuring Charges	8	(0)	0	-	(5)	(5)	12	3	15
<i>% of Sales</i>	0.4%	(0.0%)	0.0%	0.0%	(1.1%)	(0.2%)	2.6%	0.6%	1.5%
Total Operating Expenses	556	138	142	143	128	551	144	136	280
<i>% of Sales</i>	27.7%	30.3%	28.2%	23.7%	29.0%	27.5%	32.2%	26.2%	29.0%
Operating Income	106	27	45	70	13	154	14	37	50
<i>% of Sales</i>	5.3%	5.8%	8.9%	11.5%	3.0%	7.7%	3.0%	7.1%	5.2%

LOGITECH EXCLUDING LIFESIZE GAAP RECONCILIATION

(\$M)	FY14	FY15					FY16		
	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Non-GAAP Operating Income (Loss)	139	43	59	79	18	198	36	47	82
Restructuring	(8)	0	0	-	5	5	(12)	(3)	(15)
Impairment	-	-	-	-	-	-	-	-	-
Share-based Compensation	(23)	(7)	(6)	(6)	(5)	(24)	(7)	(6)	(13)
Amortization of Intangibles	(2)	(0)	(0)	(0)	(0)	(1)	(0)	(0)	(0)
One-Time Special Charge	-	(9)	(8)	(3)	(4)	(24)	(4)	(0)	(4)
GAAP Operating Income (Loss)	106	27	45	70	13	154	14	37	50

LIFESIZE GAAP RECONCILIATION

(\$M)	FY'14	FY15					FY'16		
	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	YTD
Non-GAAP Operating Income (Loss)	(1)	(1)	0	(2)	(4)	(7)	(4)	(5)	(9)
Restructuring	(6)	(0)	-	0	-	0	(1)	(6)	(7)
Impairment	-	-	-	-	(123)	(123)	-	-	-
Share-based Compensation	(2)	(0)	(0)	(1)	(0)	(2)	(0)	(0)	(0)
Amortization of Intangibles	(15)	(3)	(2)	(2)	(1)	(8)	(1)	(0)	(1)
One-Time Special Charge	(5)	-	-	-	-	-	-	-	-
GAAP Operating Income (Loss)	(30)	(4)	(3)	(5)	(127)	(139)	(7)	(11)	(18)

Note: Restructuring charge in Q2 FY16 driven by a headcount reduction to enable Lifesize to focus exclusively on its cloud-based portfolio. Cost savings resulting from these reorganization actions expected to be realized starting in Q3 FY16.