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 Q2 Fiscal 2013 performance. Unless noted otherwise, the growth comparisons and percentages that follow are year-over-year.

EMEA SALES REGION

Sales in EMEA were down by 3% and increased by 5% in local currency. Units increased by 1%. The decline in sales was most pronounced in PC speakers and PC headsets. We did achieve double-digit growth in the Keyboards & Desktops category, with strong sales for our iPad keyboard covers.

AMERICAS SALES REGION

Sales in the Americas declined by 6%, with units down by 4%. Sales were down by double digits in several categories, with the largest declines in Video and Digital Home. It was a very strong quarter for sales in the Keyboards & Desktops category, with sales up by more than 30% driven by double-digit growth in the PC-related products and a strong contribution from sales of iPad keyboard covers.

Profitability in the Americas increased versus the prior year, with a significant contribution from tight management of pricing programs in a weak market. The overall level of inventory carried by our channel partners declined by 7% sequentially and by 14% compared to the prior year.

ASIA PACIFIC SALES REGION

Sales in APJ declined by 7% in USD and in local currency. Units were down by 4%. Sales were relatively weak in several large markets, including Australia and China. Sales in China declined by 4%, with declines in nearly all PC-related categories while sales in Audio more than tripled.

OEM

The decline in our OEM sales was primarily due to much lower sales in the Keyboards & Desktops category due to product mix changes with a large customer a year ago, as well as double-digit declines in mice sales, primarily reflecting the very weak market conditions for new desktop PCs.

LIFESIZE

Sales in Q2 decreased by 7%, with declines experienced in all regions. The enterprise market for video conferencing has slowed considerably and is having a negative impact on our LifeSize business.

ADDITIONAL FINANCIAL COMMENTS

Q2 FISCAL 2013 RESULTS

Unless noted otherwise, the growth percentages that follow are in comparison to Q2 Fiscal 2012.

SALES

- Our retail sales decreased by 5% and were down by 2% in local currency. Units also decreased by 2%.
- Our overall retail average selling price in Q2 declined by 3% compared to the prior year and grew by 7% sequentially.

KEYBOARDS & DESKTOPS

Keyboards & Desktops was our best-performing retail product category in Q2, with sales up by 20% and units up by 4%. We achieved strong double-digit sales growth in both the Americas and EMEA. Our iPad keyboards drove the growth, as sales more than tripled compared to the prior year. It was a very strong quarter for sales of the Logitech Ultrathin Keyboard Cover, which was our best-selling product across all categories. Sales of keyboards and desktops, excluding iPad-related products, grew slightly.

GAMING

Sales in the Gaming category declined by 1%, with units up by 10%. While sales declined in console gaming, our sales of PC gaming peripherals grew by 12% with units up by 17%. The growth in PC gaming was driven by gaming mice and headsets. It was a very strong quarter for sales of the Logitech G600 MMO Gaming Mouse.

POINTING DEVICES

Sales in our Pointing Devices category declined by 8%, with units up by 2%. The impact of deteriorating conditions in the global PC market was a major factor in the sales declines in this category across all regions. Looking at the category in total, we experienced lower sales in both our high-end and mid-range offerings, with single-digit growth in sales and units at the low-end of the category. Earlier this month we introduced several new products designed to enhance the touch and navigation capabilities for the new Windows 8 operating system, which is expected to launch shortly.

AUDIO

Sales in our Audio category declined by 14% with units down by 9%. The decline in sales was the result of double-digit drops in PC speakers, PC headsets, and speaker docks. The drop in the PC-related products is consistent with the decline we've seen in our other PC categories, while the decline in speaker dock sales is consistent with our

product development efforts being focused on wireless speakers for smartphones and tablets rather than docks. The market outlook for speaker docks is poor given the flexibility of a wireless connection, combined with Apple's recent change to a new connector with the iPhone 5.

We were pleased with the initial success of our wireless speakers, including the Logitech UE Mobile Boombox and the Logitech UE Boombox, which began shipping late in the quarter. It was also a strong start for sales of our new Logitech UE headphones and noise-isolating earphones. Our new Logitech UE products were initially available exclusively through the Apple stores. The early response to these products has been encouraging and we look forward to expanding the distribution of these products as we progress through the 2nd half of the fiscal year.

VIDEO

Video sales declined by 17%, with units down by 21%. Our sales in the consumer webcam category continue to be negatively impacted by market trends, including the popularity of embedded webcams in mobile devices and the overall weakness of the PC market. We experienced modest growth in video sales in EMEA. The overall decline in sales was experienced in the mid-range and low-end price bands and was most pronounced in the Americas. We had strong growth in the high-end of the category driven by the Logitech HD Pro Webcam C920 and our BCC950 ConferenceCam for the business market.

DIGITAL HOME

Sales in the Digital Home category, which include our Harmony remotes and TV Cam as well as our discontinued Google TV peripherals, decreased by 31%, with units down by 41%. While year-over-year comparables were negatively impacted by minimal sales of our discontinued Google TV peripherals in the recently completed quarter, we are pleased with the initial reception to our Logitech TV Cam HD with built-in Skype capability.

Sales of our Harmony remotes were down by 14%, with units down by 31%. The decline was the steepest in EMEA, while sales fell by single digits in the Americas. At the very end of the quarter, we began shipping our long-awaited, new, high-end remote control, Harmony Touch, which features an intuitive, color touch-screen, the ability to personalize screens and one-touch control that lets you retire all the other remotes on your coffee table.

GROSS MARGIN

Our Q2 gross margin was up by 210 basis points compared to the prior year and up by 500 basis points sequentially. The year-over-year improvement, which was achieved despite the negative impact of a weaker Euro, was primarily driven by tight management of channel-pricing programs and a variety of efficiency improvements in our global supply chain.

OPERATING EXPENSES

- Operating expenses decreased by 2%
- Sales and marketing expenses increased by 3%
- R&D expenses decreased by 4%
- G&A expenses decreased by 7%

INCOME TAXES

In Q2 we recognized a net tax benefit of \$32 million from the closure of a U.S. federal income tax audit.

BALANCE SHEET

- Our quarter-ending cash position was \$237M
 - Our cash was down by \$124M compared to June and by \$142M compared to the prior year.
 - In comparing to the prior quarter and the prior year, note that during Q2 we paid a one-time dividend of \$133M and that our stock repurchases over the last twelve months totaled \$173M.
- Cash flow from operations in Q2 was \$16M, up from negative \$2M in Q2 of the prior year. The biggest factor in the improvement was the higher sequential increase in accounts payables from Q1 to Q2 of this year.
 - Our cash conversion cycle in Q2 was 35 days, 6 days shorter than the prior year
- Inventory increased by \$41M compared to the prior quarter, and decreased by \$4M compared to the prior year
 - o Inventory turns were 4.4, down slightly from 4.8 in the prior year
- DSO was 47 days, up by 2 days from the prior year

SHARE REPURCHASES

- We did not repurchase any shares during Q2
- We own approximately 17.8% of our shares
- We have \$4M remaining under our current \$250M repurchase program
- We received shareholder approval to cancel the 18.5M shares we repurchased in Q4 FY12 and Q1 FY13 at our September 2012 Annual General Meeting
- We expect the cancellation of these shares to take effect by the end of calendar 2012

FORWARD LOOKING STATEMENTS

These remarks and the remarks on the call contain forward-looking statements within the meaning of the U.S. federal securities laws, including, without limitation, statements regarding: our new products and and the timing of product launches, the features of some of those products, demand for some of those products, expanding distribution of some of those products, our share cancellation, our sales outlook in certain product categories, our resources, opportunities and expected growth in China, expected strategy benefits in the second half of FY13 and in FY 14, our product costs, our spending, our operating expenses, our outlook for the remainder of FY 2013, year-overyear financial performance for the second half of FY 2013, our strategy within our product categories, our ability to deliver improved financial performance and updates on progress. The forward-looking statements in these remarks involve risks and uncertainties that could cause Logitech's actual results and events to differ materially from those anticipated in these forward-looking statements, including, without limitation: if our product offerings, marketing activities and investment prioritization decisions do not result in the sales, profitability or profitability growth we expect, or when we expect it; the demand of our customers and our consumers for our products and our ability to accurately forecast it; if we fail to innovate and develop new products in a timely and cost-effective manner for our new and existing product categories; if we do not successfully execute on our growth opportunities in our new product categories and sales in emerging market geographies; if sales of PC peripherals in mature markets are less than we expect; 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 our products and marketing strategies fail to separate our products from competitors' products: if there is a deterioration of business and economic conditions in one or more of our sales regions or operating segments, or significant fluctuations in exchange rates; if the restructuring fails to produce the intended performance and cost savings results or is not implemented in the contemplated timeframe; if the reassessment of strategy within the PC-related product categories fails to deliver improved financial performance. A detailed discussion of these and other 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 June 30, 2012 and our Annual Report on Form 10-K for the fiscal year ended March 31, 2012, 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 these remarks.

CHANNEL INVENTORY DATA

Estimates the inventory levels of our products held by or in-transit to our retailer and distributor customers. Includes data compiled by Logitech from data supplied by our customers, and our estimates of inventory in-transit to our customers. Customers supplying data vary by geographic region and from period to period, but typically represent a majority of our retail sales. Data and our estimates are subject to limitations and possible error sources and may not be an entirely accurate indicator of actual customer channel inventory. Limitations and possible error sources include the following:

- Data supplied by our customers may not be indicative of inventory held by our customers as a whole
- Reliability of the data depends on accuracy and timeliness of information supplied to us by our customers, and the processes by which they collect their data is largely outside our control
- In the U.S., Canada, and to a lesser extent Asia Pacific, and a still lesser extent, EMEA, data is based on Point of Sale electronic data. Where POS data is not available, the data is collected largely through manual processes, including the exchange of spreadsheets or other non-automated methods of data transmission, which are subject to typical human errors, including errors in data entry, transmission and interpretation
- Our interpretation of the data, and our estimates of in-transit inventory, may be subject to errors in assumptions, calculations or other errors