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Logitech Announces Plans for \$250M in Dividends Over Three Years

Company Reiterates FY 2015 Outlook and Long-Term Business Model; Provides FY 2016 Outlook at Analyst & Investor Day in Zurich

ZURICH--(BUSINESS WIRE)-- Prior to a meeting today with financial analysts and investors in Zurich, Logitech International (SIX:LOGN) (Nasdaq:LOGI) announced:

- Full-year FY 2015 financial outlook of \$2.11 billion in sales and \$185 million in non-GAAP operating income.
- Full-year financial outlook for FY 2016 of \$2.15 billion in sales (+2% year-over-year, +6% year-over-year in constant currency) and \$150 million in non-GAAP operating income.
- A plan for returning up to \$500 million in cash to shareholders over a three year period featuring an enhanced dividend plan of \$250 million to complement the existing Board-approved \$250 million share buyback program.

"I'm very pleased that our profitability turnaround is on track thanks to higher gross margins and disciplined spending," said Bracken Darrell, Logitech president and chief executive officer. "While the strength of the U.S. dollar will have a significant impact on our financial results moving forward, the underlying fundamentals of our business are positive and we are projecting solid sales growth in FY 2016 in constant currency. We are also taking a number of actions in anticipation of a stronger dollar moving forward, including pricing adjustments and the further reduction of our global cost structure.

"Given our confidence in our ability to generate cash as we continue to make progress towards achieving the sales and profitability targets in our long-term business model, we are also introducing a refined three-year capital allocation plan that includes returning up to half a billion dollars to shareholders through dividends and share buybacks."

The Board of Directors plans to request shareholder approval of the Swiss franc equivalent of an \$85 million dividend for FY 2015 at Logitech's next annual general meeting. Based on current exchange rates and the current number of shares outstanding, this represents approximately CHF 0.52 per share, double last year's dividend of CHF 0.26 per share.

The Company's Analyst and Investor Day will be held today at 9:00 a.m. Central European Time. A live webcast and replay of the meeting will be available on the Logitech corporate Web site at <http://ir.logitech.com>.

Use of Non-GAAP Financial Information

To facilitate comparisons to Logitech's historical results, Logitech has included non-GAAP adjusted measures, which exclude primarily 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, and one-time special charges. Logitech also presents percentage sales growth in constant currency, a non-GAAP measure, to show performance unaffected by fluctuations in currency exchange rates. Percentage sales growth in constant currency is calculated by translating prior period sales in each local currency at the current period's average exchange rate for that currency and comparing that to current period sales. 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 GAAP amounts has been provided. Nevertheless, Logitech believes this information will help investors to evaluate its current period performance, outlook and trends in its business.

About Logitech

Logitech is a world leader in products that connect people to the digital experiences they care about. Spanning multiple computing, communication and entertainment platforms, Logitech's combined hardware and software enable or enhance digital navigation, music and video entertainment, gaming, social networking, audio and video communication over the Internet, video security and home-entertainment control. 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).

This press release contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements regarding: the Company's turnaround, forecasts of fiscal year 2015 and fiscal year 2016 financial results and sales growth, currency exchange rates, cash flow, capital allocation plan, dividends, share repurchases, product pricing and Logitech's ability to affect product pricing, cost reductions and their impact on profitability, and long-term business model.

The forward-looking statements in this release 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 or our growth opportunities are more limited than we expect; if sales of PC peripherals 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 we do not fully realize our goals to lower our costs and improve our operating leverage; 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; the effect of changes to our effective income tax rates. 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 December 31, 2014 and our Annual Report on Form 10-K for the fiscal year ended March 31, 2014, 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 press release.

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