HEWLETT PACKARD CO
Form 4
April 18, 2005

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
FLAXMAN JON E

(Last) (First) (Middle)

3000 HANOVER STREET

(Street)

PALO ALTO, CA 94304

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
HEWLETT PACKARD CO [HPQ]

3. Date of Earliest Transaction (Month/Day/Year)
04/14/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP and Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	$ 21.765	04/14/2005		A		40,000		(1)	04/13/2013	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FLAXMAN JON E 3000 HANOVER STREET PALO ALTO, CA 94304			SVP and Controller	

Signatures

Charles N. Charnas, Attorney-in-Fact	04/18/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This option will become exercisable in four equal annual installments beginning April 14, 2006.

(2) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 38,851 (34,287) 4,564 39,068 (28,017) 11,051

$135,022 $(124,493) $10,529 $126,294 $(100,270) $26,024

(1) As of March 31, 2013, the Company had $1.7 million of intangible assets, net of accumulated amortization of $19.3 million and impairment charges of $0.5 million, related to Digital Video Security and Remotes product categories classified as held for sale, which are not included in the table above. As of March 31, 2014, the Remotes product category was reclassified from held for sale as the Company updated its strategic plan and decided to retain the Remotes product category. There were no intangible assets classified as held for sale as of March 31, 2014.

(2) During fiscal year 2014, the Company determined that the trademarks and trade names gross and accumulated amortization amounts previously reported for fiscal year 2013 were not properly stated due to the inclusion of $15.9 million of fully amortized intangible assets, which were previously retired by the Company as of March 31, 2013. The table above is revised to reflect the correct amounts.

For fiscal years 2014, 2013 and 2012, amortization expense for other intangible assets was $17.8 million, $23.6 million and $27.2 million, respectively. The Company expects that annual amortization expense for the fiscal years ending 2015, 2016 and 2017 will be $8.4 million, $1.9 million and $0.2 million, respectively.

Note 11 Financing Arrangements

In December 2011, the Company entered into a Senior Revolving Credit Facility Agreement ("Credit Facility") with a group of primarily Swiss banks that provided for a revolving multicurrency unsecured credit facility in an amount of up to $250.0 million and subject to certain requirements, permitted the Company to arrange with existing or new lenders to provide up to an aggregate of $150.0 million in additional commitments, for a total of $400.0 million. The Company also paid a quarterly commitment fee of 40% of the applicable margin on the available commitment. In December 2013, given the significant improvement in our financial performance and outlook, the Company chose to terminate this Credit Facility and wrote-off the amortized loan fees totaling $ 1.0 million. There were no outstanding borrowings at the time of termination.

The Company had several uncommitted, unsecured bank lines of credit aggregating $40.0 million as of March 31, 2014. There are no financial covenants under these lines of credit with which the Company must comply. As of March 31, 2014, the Company had outstanding bank guarantees of $7.1 million under these lines of credit. The Company also had credit lines related to corporate credit cards totaling $6.9 million as of March 31, 2014. There are no financial covenants under these credit lines.

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 12 Commitments and Contingencies

Operating Leases

The Company leases facilities under operating leases, certain of which require it to pay property taxes, insurance and maintenance costs. Operating leases for facilities are generally renewable at the Company's option and usually include escalation clauses linked to inflation. Future minimum annual rentals under non-cancelable operating leases at March 31, 2014 are as follows (in thousands):

Years Ending March 31,		
2015	$	17,022
2016		13,950
2017		10,454
2018		8,543
2019		7,172
Thereafter		20,808
	$	77,949

Rent expense for fiscal years 2014, 2013 and 2012 was $14.7 million, $25.3 million and $25.1 million, respectively.

In connection with its leased facilities, the Company has recognized a liability for asset retirement obligations for 2014 and 2013 representing the present value of estimated remediation costs to be incurred at lease expiration. The liability and the expense for asset retirement obligations were immaterial for fiscal years 2014, 2013, and 2012.

Product Warranties

All of the Company's Peripherals products are covered by warranty to be free from defects in material and workmanship for periods ranging from one year to five years. At the time of sale, the Company accrues a warranty liability for estimated costs to provide products, parts or services to repair or replace products in satisfaction of the warranty obligation. The Company's estimate of costs to fulfill its warranty obligations is based on historical experience and expectations of future conditions. When the Company experiences changes in warranty claim activity or costs associated with fulfilling those claims, the warranty liability is adjusted accordingly.

Changes in the Company's warranty liability for fiscal years 2014 and 2013 were as follows (in thousands):

	Years Ended March 31,			
	2014		**2013**	
			As revised	
Beginning of the period	$	21,442	$	26,618
Provision		15,817		12,879
Settlements		(15,206)		(15,728)
Adjustment(1)		2,327		(2,327)
End of the period	$	24,380	$	21,442

(1)
During fiscal year 2014, the warranty liability allocated to the Company's Remotes product category was reclassified from liabilities held for sale.

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 12 Commitments and Contingencies (Continued)

Deferred Services Revenue

The Company's video conferencing reporting unit offers maintenance contracts for sale of the majority of its products which allow for customers to receive service and support in addition to the expiration of the product warranty contractual term. The Company also provides installation services to its customer under contractual arrangements. The Company recognizes these contracts over the life of the service period.

Change in the Company's deferred services revenue during fiscal years 2014 and 2013 were as follows (in thousands):

	Years Ended March 31,	
	2014	2013
Beginning of the period	$ 29,327	$ 24,568
Extended warranties issued	33,007	34,069
Amortization	(32,174)	(29,310)
End of the period	$ 30,160	$ 29,327

The cost of providing these services for fiscal years 2014 and 2013 was $7.8 million and $8.5 million, respectively.

Purchase Commitments

As of March 31, 2014, the Company had the following outstanding purchase commitments:

Inventory commitments	$ 102,760
Operating expenses	45,969
Capital commitments	12,994
Total purchase commitments	$ 161,723

Commitments for inventory purchases are made in the normal course of business to original design manufacturers, contract manufacturers and other suppliers and are expected to be fulfilled by June 30, 2014. Operating expense commitments are for consulting services, marketing arrangements, advertising, outsourced customer services, information technology maintenance and support services, and other services. Fixed purchase commitments for capital expenditures primarily related to commitments for computer hardware and leasehold improvements. Although open purchase orders are considered enforceable and legally binding, the terms generally allow the Company the option to reschedule and adjust its requirements based on the business needs prior to delivery of goods or performance of services.

Other Contingencies

As previously announced, some of the issues reviewed by the Audit Committee are also the subject of an ongoing formal investigation by the SEC, including the accounting for Revue inventory valuation reserves that resulted in the restatement, revision to the Company's financial statements concerning warranty accruals and amortization of intangible assets presented in our Form 10-K/A, filed on August 7, 2013, and the Company's transactions with a distributor for Fiscal Year 2007 through Fiscal Year 2009. The

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 12 Commitments and Contingencies (Continued)

Company is cooperating with the SEC in its ongoing investigation. The Company has entered into an agreement with the SEC to extend the statute of limitations. The Company cannot predict the outcome of the investigation at this time and any potential fines or penalties, if any, that may arise from the investigation are currently not estimable.

Guarantees

Logitech International S.A., the parent holding company, has issued several parent guarantees on behalf of its subsidiaries. The maximum potential future payment under the guarantee arrangements is limited to $80.0 million. As of March 31, 2014, there were no purchase obligations outstanding for which the parent holding company was required to guarantee payment.

Logitech Europe S.A., a subsidiary of the parent holding company, has guaranteed the purchase obligations of another Logitech subsidiary under a guarantee agreement. This guarantee does not specify a maximum amount. As of March 31, 2014, the amount of purchase obligations outstanding under this guarantee was immaterial. In addition, Logitech Europe S.A. also guaranteed payments of a third-party contract manufacturer's purchase obligations. As of March 31, 2014, the maximum amount of this guarantee was $3.5 million, of which $2.3 million of guaranteed purchase obligations were outstanding.

Indemnifications

The Company indemnifies certain of its suppliers and customers for losses arising from matters such as intellectual property disputes and product safety defects, subject to certain restrictions. The scope of these indemnities varies, but in some instances, includes indemnification for damages and expenses, including reasonable attorneys' fees. As of March 31, 2014, no amounts have been accrued for these indemnification provisions. The Company does not believe, based on historical experience and information currently available, that it is probable that any material amounts will be required to be paid under its indemnification arrangements.

The Company also indemnifies its current and former directors and certain of its current and former officers. Certain costs incurred for providing such indemnification may be recoverable under various insurance policies. The Company is unable to reasonably estimate the maximum amount that could be payable under these arrangements because these exposures are not limited, the obligations are conditional in nature and the facts and circumstances involved in any situation that might arise are variable.

Legal Proceedings

From time to time the Company is involved in claims and legal proceedings which arise in the ordinary course of its business. The Company is currently subject to several such claims and a small number of legal proceedings. The Company believes that these matters lack merit and intends to vigorously defend against them. Based on currently available information, the Company does not believe that resolution of pending matters will have a material adverse effect on its financial condition, cash flows or results of operations. However, litigation is subject to inherent uncertainties, and there can be no assurances that the Company's defenses will be successful or that any such lawsuit or claim would not have a material adverse impact on the Company's business, financial condition, cash flows and results of operations in a particular period. Any claims or proceedings against the Company, whether meritorious or not, can have an adverse impact because of defense costs, diversion of management and operational resources, negative publicity and other

LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 12 Commitments and Contingencies (Continued)

factors. Any failure to obtain necessary license or other rights, or litigation arising out of intellectual property claims, could adversely affect the Company's business.

Note 13 Shareholders' Equity

Share Capital

The Company's nominal share capital is CHF 43,276,655, consisting of 173,106,620 shares with a par value of CHF 0.25 each, all of which were issued and 10,206,450 which were held in treasury as of March 31, 2014.

In September 2008, the Company's shareholders approved an amendment to reserve conditional capital of 25,000,000 shares for potential issuance on the exercise of rights granted under the Company's employee equity incentive plans. The shareholders also approved the creation of conditional capital representing the issuance of up to 25,000,000 shares to cover any conversion rights under a future convertible bond issuance. This conditional capital was created in order to provide financing flexibility for future expansion, investments or acquisitions.

Shares Outstanding

In September 2012, the Company's shareholders approved the cancellation of the 18.5 million shares repurchased under the September 2008 amended share buyback program. These shares were legally cancelled during fiscal year 2013, which decreased the treasury shares outstanding by this amount but also decreased its shares issued and outstanding from 191.6 million to 173.1 million.

Dividends

Pursuant to Swiss corporate law, Logitech International S.A. may only pay dividends in Swiss francs. The payment of dividends is limited to certain amounts of unappropriated retained earnings (CHF 458.5 million or $518.1 million based on exchange rates at March 31, 2014) and is subject to shareholder approval. In September 2013, Logitech's shareholders approved a cash dividend payment of CHF 33.7 million out of retained earnings to Logitech shareholders. Eligible shareholders were paid CHF 0.21 per share ($0.22 per share in U.S. dollars), totaling $36.1 million in U.S. Dollars in September 2013. In September 2012, the Company's shareholders approved a cash dividend of CHF 125.7 million out of retained earnings to Logitech shareholders. Eligible shareholders were paid CHF 0.79 per share ($0.85 per share in U.S. dollars), totaling $133.5 million in U.S. dollars in September 2012. This dividend qualified as a distribution of qualifying additional paid-in-capital and, as such, was not subject to Swiss Federal withholding tax.

Legal Reserves

Under Swiss corporate law, a minimum of 5% of the Company's annual net income must be retained in a legal reserve until this legal reserve equals 20% of the Company's issued and outstanding aggregate par value per share capital. These legal reserves represent an appropriation of retained earnings that are not available for distribution and totaled $10.8 million at March 31, 2014 (based on exchange rates at March 31, 2014).

Additionally, under Swiss corporate law, the Company is required to establish a reserve equal to the cost of repurchased treasury shares owned as of year-end. The reserve for treasury shares, which is not

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 13 Shareholders' Equity (Continued)

available for distribution, totaled $118.4 million at March 31, 2014 (based on exchange rates at March 31, 2014).

Share Repurchases

In March 2014, the Company's Board of Directors approved the 2014 share buyback program, which authorizes the Company to use up to $250.0 million to purchase its own shares. The Company's share buyback program is expected to remain in effect for a period of three years. Shares may be repurchased from time to time on the open market, through block trades or otherwise. Purchases may be started or stopped at any time without prior notice depending on market conditions and other factors.

In September 2008, the Company's Board of Directors approved the September 2008 share buyback program for $250.0 million. In November 2011, an amendment to the September 2008 share buyback program ("September 2008 amended") was approved by the Company's Board of Directors to enable future purchases of shares for cancellation. In August 2013, the September 2008 share buyback and September 2008 amended share buyback programs expired.

A summary of the approved share buyback programs are shown in the following table (in thousands, excluding transaction costs).

	Approved		Repurchased	
Share Buyback Program	**Shares**	**Amounts**	**Shares**	**Amounts**
March 2014	17,311	$ 250,000		
September 2008 amended(1)	28,465	177,030	18,500	$ 170,714
September 2008(1)	8,344	250,000	7,609	73,134
	54,120	$ 677,030	26,109	$ 243,848

(1) Expired in August 2013

During fiscal year 2013, 8.6 million shares were repurchased for $87.8 million and during fiscal year 2012, 17.5 million shares were repurchased for $156.0 million. There were no share repurchases during fiscal year 2014. During fiscal year 2013, 18.5 million of the repurchased shares were cancelled.

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) were as follows (in thousands):

	Accumulated Other Comprehensive Income (Loss)			
	Cumulative Translation Adjustment	**Defined Benefit Plan(1)**	**Deferred Hedging Gains (Losses)**	**Total**
March 31, 2013 (As Revised)	$ (73,783)	$ (21,856)	$ 510	$ (95,129)
Other comprehensive income (loss)	2,784	7,568	(1,025)	9,327

March 31, 2014	$	(70,999)	$	(14,288)	$	(515)	$	(85,802)

(1) Net of tax of $192 as of March 31, 2014 and $315 as of March 31, 2013.

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 14 Segment Information

The Company has two reporting segments, peripherals and video conferencing, based on product markets and internal organizational structure. The peripherals segment encompasses the design, manufacturing and marketing of peripherals for PCs, tablets and other digital platforms. The video conferencing segment encompasses the design, manufacturing and marketing of Lifesize video conferencing products, infrastructure and services for the enterprise, public sector and other business markets. The Company's reporting segments do not record revenue on sales between segments as such sales are not material.

Operating performance measures for the peripherals segment and the video conferencing segment are reported separately to Logitech's Chief Executive Officer ("CEO"), who is considered to be the Company's Chief Operating Decision Maker ("CODM"). The CEO periodically reviews information such as net sales and operating income (loss) for each operating segment to make business decisions. These operating performance measures do not include share-based compensation expense and amortization of intangible assets. Share-based compensation expense and amortization of intangible assets are presented in the following financial information by operating segment as "other income (expense)." Assets by operating segment are not presented since the Company does not present such data to the CODM.

Net sales and operating income (loss) for the Company's operating segments were as follows (in thousands):

	Years Ended March 31,		
	2014	2013	2012
		As Revised	As Restated
Net sales:			
Peripherals	$ 2,008,028	$ 1,962,237	$ 2,168,742
Video conferencing	120,685	137,040	147,461
	$ 2,128,713	$ 2,099,277	$ 2,316,203
Segment operating income (loss):			
Peripherals(1)	$ 131,326	$ 25,829	$ 180,167
Video conferencing(1)	(12,023)	(229,097)	(7,442)
	119,303	(203,268)	172,725
Other income (expense):			
Share-based compensation	(25,546)	(25,198)	(31,529)
Amortization of intangibles	(17,771)	(23,571)	(27,198)
Interest income (expense), net	(397)	907	2,674
Other income (expense), net	1,993	(2,198)	7,655
Income (loss) before income taxes	$ 77,582	$ (253,328)	$ 124,327

(1) Peripherals operating results include $8.0 million, $39.5 million, and $0 of restructuring charges during fiscal year 2014, 2013, and 2012 respectively and $2.2 million of impairment of other assets during fiscal year 2013. Video Conferencing operating results include $5.8 million, $4.2 million, and $0 of restructuring charges for fiscal year 2014, 2013, and 2012 respectively and $214.5 million of goodwill impairment charge for fiscal year 2013.

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 14 Segment Information (Continued)

Net sales by product categories, excluding intercompany transactions, were as follows (in thousands):

	Years Ended March 31,		
	2014	**2013(1)**	**2012(1)**
		As Revised	
Peripherals:			
PC Gaming	$ 186,926	$ 144,512	$ 186,190
Tablet & Other Accessories	172,484	119,856	44,326
Mobile Speakers	87,414	33,408	21,969
Growth:	446,824	297,776	252,485
Pointing Devices	506,884	521,083	559,366
PC Keyboards & Desktops	415,512	399,144	383,697
Audio-PC &Wearables	255,573	292,245	339,394
Video	137,115	153,060	196,662
Remotes	67,371	71,641	91,000
Profit Maximization:	1,382,455	1,437,173	1,570,119
Other	37,000	86,102	160,179
Non-Strategic:	37,000	86,102	160,179
OEM	141,749	141,186	185,959
	2,008,028	1,962,237	2,168,742
Video conferencing	120,685	137,040	147,461
	$ 2,128,713	$ 2,099,277	$ 2,316,203

(1)

Certain products within the retail product families presented in prior years have been reclassified to conform to the current year presentation.

Geographic net sales information in the table below is based on the customers' location. Long-lived assets, primarily fixed assets, are reported below based on the location of the asset.

Net sales to unaffiliated customers by geographic region for fiscal years 2014, 2013 and 2012 (based on the customers' location) were as follows (in thousands):

	Years Ended March 31,		
	2014	**2013**	**2012**
		As Revised	
Americas	$ 859,893	$ 808,618	$ 879,076
EMEA	767,017	799,075	897,557
Asia Pacific	501,803	491,584	539,570
	$ 2,128,713	$ 2,099,277	$ 2,316,203

Net sales are attributed to countries on the basis of the customers' locations. The United States represented 35%, 33% and 34% of net sales for the fiscal years 2014, 2013 and 2012, respectively. No other single country represented more than 10% of net sales during these periods. Revenues from net sales to

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 14 Segment Information (Continued)

customers in Switzerland, the Company's home domicile, represented 2% of net sales for fiscal years 2014, 2013 and 2012. In fiscal years 2014, 2013 and 2012, one customer in the peripherals operating segment represented 14%, 11% and 14% of net sales, respectively. As of March 31, 2014 and 2013, one customer in the peripherals operating segment represented 14% of total accounts receivable.

Long-lived assets by geographic region were as follows (in thousands):

	March 31,			
	2014		2013	
			As Revised	
Americas	$	45,166	$	45,518
EMEA		5,154		8,093
Asia Pacific		38,071		40,110
	$	88,391	$	93,721

Long-lived assets in the United States and China was $44.9 million and $31.9 million at March 31, 2014, respectively, and $45.5 million and $32.2 million at March 31, 2013, respectively. No other countries represented more than 10% of the Company's total consolidated long-lived assets at March 31, 2014 and 2013. Long-lived assets in Switzerland, the Company's home domicile, were $1.6 million and $3.6 million at March 31, 2014 and 2013.

Note 15 Restructuring

The following table summarizes restructuring related activities during fiscal year 2014 and 2013 (in thousands):

	Restructuring							
	Termination Benefits		Lease Exit Costs		Other		Total	
March 31, 2012	$		$		$		$	
Charges		41,088		1,308		1,308		43,704
Cash payments		(27,768)		(1,233)		(1,322)		(30,323)
Foreign exchange impact		63				14		77
March 31, 2013		13,383		75				13,458
Charges		6,463		7,348				13,811
Adjustment for deferred rent				1,450				1,450
Cash payments		(19,534)		(1,454)				(20,988)
Foreign exchange impact		(170)						(170)
March 31, 2014	$	142	$	7,419	$		$	7,561

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 15 Restructuring (Continued)

During the second quarter of fiscal year 2014, the Company implemented a restructuring plan solely affecting its video conferencing operating segment to align its organization to its strategic priorities of increasing focus on a tighter range of products, expanding cloud-based video conferencing services and improving profitability. Restructuring charges under this plan primarily consist of severance and other one-time termination benefits. During fiscal year 2014, restructuring charges under this plan included $5.0 million in termination benefits and $0.6 million in lease exit costs. The Company substantially completed this restructuring plan by March 31, 2014.

During the fourth quarter of fiscal year 2013, the Company implemented a restructuring plan to align its organization to its strategic priorities of increasing focus on mobility products, improving profitability in PC-related products and enhancing global operational efficiencies. As part of this restructuring plan, the Company reduced its worldwide non-direct labor workforce. Restructuring charges under this plan primarily consisted of severance and other one-time termination benefits. During fiscal year 2014, restructuring charges under this plan included $1.5 million in termination benefits and $6.7 million in lease exit costs, $5.4 million of which pertains to the consolidation of the Company's Silicon Valley campus from two buildings down to one during the quarter ended March 31, 2014. During fiscal year 2013, restructuring charges under this plan included $15.2 million in termination benefits. In addition, charges of $0.9 million related to the discontinuance of certain product development efforts were included in cost of goods sold and a $1.2 million charge from the re-measurement of its Swiss and Taiwan defined benefit pension plans caused by the number of plan participants affected by this restructuring, which was not included in the restructuring charges since it related to prior services. The Company substantially completed this restructuring plan by the fourth quarter of fiscal year 2014.

During the first quarter of fiscal year 2013, the Company implemented a restructuring plan to simplify its organization, better align its costs with its current business and to free up resources to pursue growth opportunities. A majority of the restructuring activity was completed during the first quarter of fiscal year 2013. As part of this restructuring plan, the Company reduced its worldwide non-direct labor workforce. During fiscal year 2013, restructuring charges under this plan included $25.9 million in termination benefits, $1.3 million in legal, consulting, and other costs as a result of the terminations, and $1.3 million in lease exit costs associated with the closure of existing facilities. Termination benefits are calculated based on regional benefit practices and local statutory requirements. In addition, charges of $3.0 million related to the discontinuance of certain product development efforts were included in cost of goods sold and a $2.2 million charge from the re-measurement of its Swiss defined benefit pension plan caused by the number of plan participants affected by this restructuring, which was not included in the restructuring charges since it related to prior services. The Company substantially completed this restructuring plan by the fourth quarter of fiscal year 2013.

Termination benefits were calculated based on regional benefit practices and local statutory requirements. Lease exit costs primarily relate to costs associated with the closure of existing facilities. Other charges primarily consist of legal, consulting and other costs related to employee terminations.

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LOGITECH INTERNATIONAL S.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 16 Subsequent events

Repurchase of ESPP Awards

The Company was not current with its periodic reports required to be filed with the SEC and was therefore unable to issue any shares under its Registration Statements on Form S-8 after July 31, 2014. Given the proximity of the unavailability of those registration statements and the end of the current ESPP offering period, also on July 31, 2014, the Compensation Committee authorized the termination of the current ESPP offering period and a one-time payment to each participant in an amount equal to the fifteen percent (15%) discount at which shares would otherwise have been repurchased pursuant to the current period of the ESPPs. This one-time payment was accounted for as a repurchase of equity awards that reduced additional paid-in capital, resulting in no additional compensation cost. Given the unavailability of the Company's Registration Statements on Form S-8, no new ESPP offering periods were initiated since July 31, 2014.

Dividend

On November 12, 2014, the Board approved, subject to approval by the Company's shareholders and other Swiss statutory requirements, a dividend of CHF 0.2625 per share.

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LOGITECH INTERNATIONAL S.A.

SUPPLEMENTARY DATA

QUARTERLY FINANCIAL DATA
(unaudited)

The following table contains selected unaudited quarterly financial data for fiscal years 2014 and 2013 (in thousands, except per share amounts). See tables below for details of the correcting adjustments relating to these periods:

	Year ended March 31, 2014				Year ended March 31, 2013			
	Q1 As revised	Q2(5) As revised	Q3 As revised	Q4(6)	Q1(1) As revised	Q2 As revised	Q3(2) As revised	Q4(1)(3) As revised
Net sales	$ 478,530	$ 531,143	$ 628,719	$ 490,321	$ 468,604	$ 547,693	$ 614,500	$ 468,481
Cost of goods sold	309,268	348,181	414,418	328,977	323,297	351,887	405,051	309,408
Gross profit	169,262	182,962	214,301	161,344	145,307	195,806	209,449	159,073
Operating expenses:								
Marketing and selling	101,093	93,451	94,273	90,930	101,021	110,603	112,792	107,469
Research and development	36,527	37,485	34,577	30,796	39,120	38,181	40,572	37,139
General and administrative	29,077	29,172	31,998	28,693	32,583	26,014	26,432	29,352
Impairment of goodwill and other assets							211,000	5,688
Restructuring charges/(credits)	2,334	5,465	822	5,190	30,571	(2,015)	(358)	15,506
Total operating expenses	169,031	165,573	161,670	155,609	203,295	172,783	390,438	195,154
Operating income (loss)	231	17,389	52,631	5,735	(57,988)	23,023	(180,989)	(36,081)
Interest income (expense), net	(23)	183	(1,022)	465	384	153	114	255
Other income (expense), net	217	62	1,082	632	(159)	(509)	(3,670)	2,139
Income (loss) before income taxes	425	17,634	52,691	6,832	(57,763)	22,667	(184,545)	(33,687)
Provision for (benefit from) income taxes	(801)	3,058	4,807	(3,786)	(6,910)	(31,081)	11,367	814
Net income (loss)	$ 1,226	$ 14,576	$ 47,884	$ 10,618	$ (50,853)	$ 53,748	$ (195,912)	$ (34,501)
Net income (loss) per share(4):								
Basic	$ 0.01	$ 0.09	$ 0.30	$ 0.07	$ (0.32)	$ 0.34	$ (1.24)	$ (0.22)
Diluted	$ 0.01	$ 0.09	$ 0.29	$ 0.06	$ (0.32)	$ 0.34	$ (1.24)	$ (0.22)
Shares used to compute net income (loss) per share :								
Basic	159,298	159,969	160,871	162,255	160,733	156,736	157,706	158,716
Diluted	160,281	161,183	163,388	165,766	160,733	157,932	157,706	158,716

(1) During the first and fourth quarters of fiscal year 2013, the Company announced restructuring plans intended align the organization to its strategic priorities of increasing focus on mobility products, improving profitability in PC-related product and enhancing global operational efficiencies.

(2) Impairment of goodwill and other assets during the third quarter of fiscal year 2013 was due to an estimated $211.0 million goodwill impairment charge related to the video conferencing reporting unit.

(3) Impairment of goodwill and other assets during the fourth quarter of fiscal year 2013 was due to an additional $3.5 million in goodwill impairment charge related to the video conferencing reporting unit and $2.2 million in impairment charges related to the digital video security product line.

(4) Basic and diluted earnings per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted earnings per share.

(5) During the quarter ended September 30, 2013, the Company implemented a restructuring plan solely affecting the video conferencing operating segment to align its organization to its strategic priorities of increasing focus on a tighter range of products, expanding cloud-based video conferencing services and improving profitability.

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(6)
The Company incurred $5.4 million of restructuring charges related to lease exit costs which pertains to the consolidation our Silicon Valley campus from two buildings down to one during the quarter ended March 31, 2014.

Consolidated Statements of Operations.

The following tables present the impact of the correcting adjustments on the Company's previously-reported consolidated statements of operations for the first three quarters of fiscal year 2014, all quarters of fiscal year 2013 and the first quarter of fiscal year 2012 (in thousands):

	Quarter ended June 30, 2013			Quarter ended September 30, 2013		
	As Reported	**Adjustments**	**As Revised**	**As Reported**	**Adjustments**	**As Revised**
Net sales	$ 477,924	$ 606 (4)	$ 478,530	$ 531,972	$ (829)(4)	$ 531,143
Cost of goods sold	309,569	165 (2)	309,268	348,559	181 (2)	348,181
		(466)(4)			(559)(4)	
Gross profit	168,355	907	169,262	183,413	(451)	182,962
Operating expenses:						
Marketing and selling	100,635	161 (2)	101,093	93,710	176 (2)	93,451
		297 (4)			(435)(4)	
Research and development	36,191	132 (2)	36,527	37,633	144 (2)	37,485
		204 (4)			(292)(4)	
General and administrative	29,148	87 (2)	29,077	29,395	95 (2)	29,172
		(158)(4)			(318)(4)	
Restructuring charges	2,334		2,334	5,465		5,465
Total operating expenses	168,308	723	169,031	166,203	(630)	165,573
Operating income	47	184	231	17,210	179	17,389
Interest income (expense), net	(23)		(23)	183		183
Other income, net	217		217	62		62
Income before income taxes	241	184	425	17,455	179	17,634
Provision for (benefit from) income taxes	(802)	1 (4)	(801)	3,057	1 (4)	3,058
Net income	$ 1,043	$ 183	$ 1,226	$ 14,398	$ 178	$ 14,576
Net income per share:						
Basic	$ 0.01	$	$ 0.01	$ 0.09	$	$ 0.09
Diluted	$ 0.01	$	$ 0.01	$ 0.09	$	$ 0.09
Shares used to compute net income per share:						
Basic	159,298		159,298	159,969		159,969
Diluted	160,281		160,281	161,183		161,183

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	Quarter ended December 31, 2013		
	As Reported	**Adjustments**	**As Revised**
Net sales	$ 627,890	$ 829 (4)	$ 628,719
Cost of goods sold	414,528	229 (2)	414,418
		(339)(4)	
Gross profit	213,362	939	214,301
Operating expenses:			
Marketing and selling	93,624	222 (2)	94,273
		427 (4)	
Research and development	34,103	182 (2)	34,577
		292 (4)	
General and administrative	31,560	120 (2)	31,998
		318 (4)	
Restructuring charges	822		822
Total operating expenses	160,109	1,561	161,670
Operating income	53,253	(622)	52,631
Interest expense, net	(1,022)		(1,022)
Other income, net	1,082		1,082
Income before income taxes	53,313	(622)	52,691
Provision for income taxes	4,810	(3)(4)	4,807
Net income	$ 48,503	$ (619)	$ 47,884
Net income per share:			
Basic	$ 0.30	$	$ 0.30
Diluted	$ 0.30	$ (0.01)	$ 0.29
Shares used to compute net income per share:			
Basic	160,871		160,871
Diluted	163,388		163,388

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	Quarter ended June 30, 2012			Quarter ended September 30, 2012		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
Net sales	$ 468,604	$	$ 468,604	$ 547,693	$	$ 547,693
Cost of goods sold	323,258	149 (2)	323,297	351,919	110 (2)	351,887
		(110)(4)			(142)(4)	
Gross profit	145,346	(39)	145,307	195,774	32	195,806
Operating expenses:						
Marketing and selling	100,897	145 (2)	101,021	110,522	107 (2)	110,603
		(21)(4)			(26)(4)	
Research and development	39,023	118 (2)	39,120	38,114	88 (2)	38,181
		(21)(4)			(21)(4)	
General and administrative	32,480	78 (2)	32,583	25,980	58 (2)	26,014
		25 (4)			(24)(4)	
Restructuring charges/(credits)	31,227	(656)(4)	30,571	(2,671)	656 (4)	(2,015)
Total operating expenses	203,627	(332)	203,295	171,945	838	172,783
Operating income (loss)	(58,281)	293	(57,988)	23,829	(806)	23,023
Interest income, net	384		384	153		153
Other expense, net	(159)		(159)	(509)		(509)
Income (loss) before income taxes	(58,056)	293	(57,763)	23,473	(806)	22,667
Benefit from income taxes	(6,910)		(6,910)	(31,076)	(5)(4)	(31,081)
Net income (loss)	$ (51,146)	$ 293	$ (50,853)	$ 54,549	$ (801)	$ 53,748
Net income (loss) per share:						
Basic	$ (0.32)	$	$ (0.32)	$ 0.35	$ (0.01)	$ 0.34
Diluted	$ (0.32)	$	$ (0.32)	$ 0.35	$ (0.01)	$ 0.34
Shares used to compute net income (loss) per share:						
Basic	160,733		160,733	156,736		156,736
Diluted	160,733		160,733	157,932		157,932

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	Quarter ended December 31, 2012			Quarter ended March 31, 2013		
	As Reported	Adjustments	As Revised	As Reported	Adjustments	As Revised
Net sales	$ 614,500	$	$ 614,500	$ 469,087	$ (606)(4)	$ 468,481
Cost of goods sold	404,695	120 (2)	405,051	309,854	29 (2)	309,408
		236 (4)			(475)(4)	
Gross profit	209,805	(356)	209,449	159,233	(160)	159,073
Operating expenses:						
Marketing and selling	112,698	116 (2)	112,792	107,480	28 (2)	107,469
		(22)(4)			(39)(4)	
Research and development	40,488	95 (2)	40,572	36,582	23 (2)	37,139
		(11)(4)			534 (4)	
General and administrative	26,382	63 (2)	26,432	28,982	15 (2)	29,352
		(13)(4)			355 (4)	
Impairment of goodwill and others	211,000		211,000	5,688		5,688
Restructuring charges/(credits)	(358)		(358)	15,506		15,506
Total operating expenses	390,210	228	390,438	194,238	916	195,154
Operating loss	(180,405)	(584)	(180,989)	(35,005)	(1,076)	(36,081)
Interest income, net	114		114	255		255
Other income (expense), net	(3,670)		(3,670)	2,139		2,139
Loss before income taxes	(183,961)	(584)	(184,545)	(32,611)	(1,076)	(33,687)
Provision for income taxes	11,370	(3)(4)	11,367	1,028	(214)(4)	814
Net loss	$ (195,331)	$ (581)	$ (195,912)	$ (33,639)	$ (862)	$ (34,501)
Net loss per share:						
Basic	$ (1.24)	$	$ (1.24)	$ (0.21)	$ (0.01)	$ (0.22)
Diluted	$ (1.24)	$	$ (1.24)	$ (0.21)	$ (0.01)	$ (0.22)
Shares used to compute net loss per share:						
Basic	157,706		157,706	158,716		158,716
Diluted	157,706		157,706	158,716		158,716

Adjustments (1), (2), (3), and (4) in the above unaudited quarterly financial data tables are explained in Part II, Item 6, Selected Financial Data.

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Consolidated Financial Statements for the three months period ended June 30, 2011

The following tables present the impact of correcting adjustments on the Company's previously-reported consolidated statements of operations for the three months ended June 30, 2011, consolidated balance sheet as of June 30, 2011 and consolidated statements of cash flows for the three months ended June 30, 2011. Adjustments (1), (2), and (3) in the below consolidated financial data are explained in Part II, Item 6, Selected Financial Data. Adjustment (4) in the below consolidated financial data reflect an adjustment of $0.4 million to increase the Company's warranty accrual and an adjustment to increase amortization of intangibles by $0.2 million, and adjustment of classification of gains from the sales of property, plant and equipment included in our Fiscal Year 2013 Annual Report on Form 10-K/A filed on August 7, 2013 as well as other immaterial correcting adjustments explained in Part II, Item 6, Selected Financial Data.

	Three months ended June 30, 2011		
	As Reported*	**Adjustments**	**As Restated**
Net sales	$ 480,441	$	$ 480,441
Cost of goods sold	354,834	(34,074)(1)	321,693
		1,294 (3)	
		(361)(4)	
Gross profit	125,607	33,141	158,748
Operating expenses:			
Marketing and selling	99,793	(902)(4)	98,891
Research and development	39,981	41 (4)	40,022
General and administrative	30,865	(4,769)(4)	26,096
Impairment of goodwill and other assets			
Restructuring charges			
Total operating expenses	170,639	(5,630)	165,009
Operating loss	(45,032)	38,771	(6,261)
Interest income, net	690		690
Other income, net	5,191	(4,904)(4)	287
Loss before income taxes	(39,151)	33,867	(5,284)
Benefit from income taxes	(9,545)	152 (4)	(9,393)
Net income (loss)	(29,606)	33,715	4,109
Net income (loss) per share:			
Basic	$ (0.17)	$ 0.19	$ 0.02
Diluted	$ (0.17)	$ 0.19	$ 0.02
Shares used to compute net income (loss) per share:			
Basic	179,331		179,331
Diluted	179,331	752	180,083

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	June 30, 2011				
		As Reported*		Adjustments		As Restated
ASSETS						
Current assets:						
Cash and cash equivalents	$	476,367	$		$	476,367
Accounts receivable, net		241,456				241,456
Inventories		317,548		3,044 (1)		320,592
Other current assets		90,117		1,010 (4)		91,127
Total current assets		1,125,488		4,054		1,129,542
Non-recurring assets:						
Property, plant and equipment, net		81,236		7,930 (2)		89,166
Goodwill		547,184				547,184
Other intangible assets		67,986		(1,046)(4)		66,940
Other assets		71,183		(3,068)(4)		68,115
Total assets	$	1,893,077	$	7,870	$	1,900,947
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities:						
Accounts payable	$	328,305		(975)(4)		327,330
Accrued and other current liabilities		189,374		11,642 (4)		201,016
Total current liabilities		517,679		10,667		528,346
Non-current liabilities		189,059		11,850 (4)		200,909
Total liabilities	$	706,738	$	22,517	$	729,255
Commitments and contingencies						
Shareholders' equity:						
Registered shares, CHF 0.25 par value:						
Issued and authorized shares 191,606 at June 30, 2011						
Conditionally authorized shares 50,000 at June 30, 2011	$	33,370				33,370
Additional paid-in capital		6,952		(3,472)(4)		3,480
Less: shares in treasury, at cost 12,236 at June 30, 2011		(260,938)				(260,938)
Retained earnings		1,484,562		3,344 (1)		1,473,916
				7,930 (2)		
				(21,920)(4)		
Accumulated other comprehensive loss		(77,607)		(529)		(78,136)

Total shareholders' equity		1,186,339		(14,647)		1,171,692
Total liabilities and shareholders' equity	$	1,893,077	$	7,870	$	1,900,947

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	Three months ended June 30, 2011		
	As Reported	Adjustments	As Restated
Cash flows from operating activities:			
Net income (loss)	$ (29,606)	$ 34,074 (1)	$ 4,109
		(1,294)(3)	
		935 (4)	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	13,172	1,630 (2)	14,961
		159 (4)	
Amortization of other intangible assets	6,630	166 (4)	6,796
Share-based compensation expense	9,715		9,715
Gain on disposal of property, plant and equipment	(4,904)		(4,904)
Inventory valuation adjustment	34,074	(34,074)(1)	
Excess tax benefits from share-based compensation	(24)		(24)
Deferred income taxes and other	(13,701)	639 (4)	(13,062)
Changes in assets and liabilities, net of acquisitions:			
Accounts receivable	19,097		19,097
Inventories	(54,783)		(54,783)
Other assets	(6,015)	957 (4)	(5,058)
Accounts payable	29,346	(17)(4)	29,329
Accrued and other liabilities	743	(1,545)(4)	(802)
Net cash provided by operating activities	3,744	1,630	5,374
Cash flows from investing activities:			
Purchases of property, plant and equipment	(10,561)	(1,630)(2)	(12,191)
Proceeds from sales of property and plant	4,904		4,904
Purchases of trading investments	(3,545)		(3,545)
Proceeds from sales of trading investments	3,500		3,500
Net cash used in investing activities	(5,702)	(1,630)	(7,332)
Cash flows from financing activities:			
Proceeds from sales of shares upon exercise of options and purchase rights	607		607
Tax withholdings related to net share settlements of restricted stock units	(176)		(176)
Excess tax benefits from share-based compensation	24		24
Net cash used in financing activities	455		455
Effect of exchange rate changes on cash and cash equivalents	(61)		(61)
Net increase (decrease) in cash and cash equivalents	(1,564)		(1,564)

Cash and cash equivalents at beginning of period		477,931			477,931
Cash and cash equivalents at end of period	$	476,367	$	$	476,367

* "As Reported" numbers in the above tables are derived from the Company's previously issued Quarterly Report on Form 10-Q filed on August 8, 2011.

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Schedule II

LOGITECH INTERNATIONAL S.A.
VALUATION AND QUALIFYING ACCOUNTS
For the Fiscal Years Ended March 31, 2014, 2013 and 2012 (in thousands)

The Company's Schedule II includes valuation and qualifying accounts related to allowances for doubtful accounts, sales returns, cooperative marketing arrangements, customer incentive programs, and pricing programs, for direct customers and tax valuation allowances. The Company also has sales incentive programs for indirect customers with whom it does not have a direct sales and receivable relationship. These programs are recorded as accrued liabilities and are not considered valuation or qualifying accounts.

	Balance at Beginning of Year	Charged (Credited) to Statement of Operations	Claims and Adjustments Applied Against Allowances	Balance at End of Year
Allowance for doubtful accounts:				
2014	$ 2,153	$ 656	$ (1,097)	$ 1,712
2013	2,472	$ (107)	$ (212)	$ 2,153
2012	4,086	$ (592)	$ (1,022)	$ 2,472
Allowance for sales returns:				
2014	$ 21,883	$ 59,483	$ (61,894)	$ 19,472
2013	24,599	$ 61,315	$ (64,031)	$ 21,883
2012	29,666	$ 72,543	$ (77,610)	$ 24,599
Allowances for cooperative marketing arrangements:				
2014	$ 24,160	$ 102,751	$ (102,776)	$ 24,135
2013	24,109	$ 96,278	$ (96,227)	$ 24,160
2012	28,669	$ 101,557	$ (106,117)	$ 24,109
Allowances for customer incentive programs:				
2014	$ 42,857	$ 106,810	$ (108,267)	$ 41,400
2013	42,262	$ 94,313	$ (93,718)	$ 42,857
2012	52,358	$ 108,683	$ (118,779)	$ 42,262
Allowances for pricing programs:				
2014	$ 55,858	$ 221,702	$ (208,114)	$ 69,446
2013 (As revised)	60,371	$ 182,916	$ (187,429)	$ 55,858
2012	62,258	$ 196,808	$ (198,695)	$ 60,371
Tax valuation allowances:				
2014	$ 6,014	$ 515	$ (1,657)	$ 4,872
2013	2,205	$ 3,865	$ (56)	$ 6,014
2012	2,309	$	$ (104)	$ 2,205