



Logitech Posts Record Second Quarter Results

Revenue \$294 million; Operating Income \$27.4 million; EPS \$.44

FREMONT, Calif. and ROMANEL-SUR-MORGES, Switzerland - Oct. 21, 2003 - Logitech International (Nasdaq:LOGI) (Switzerland: LOGN) today announced that sales for its second fiscal quarter of 2004, ended September 30, 2003, were \$294 million, up 17 percent from \$252 million in the same quarter last year. Operating income was \$27.4 million, up from \$25.7 million last year. Net income for the quarter was \$21.2 million (\$0.44 per share), up slightly from \$21 million (\$0.42 per share) in Q2, 2003. Gross margin rebounded in the second quarter to 31.5 percent, compared with 27.8 percent during this year's first fiscal quarter -- an improvement of 370 basis points.

Q2, 2004 was Logitech's strongest-ever second quarter, with revenue and operating income exceeding its expectations. The strong Q2 revenue results were largely due to robust OEM sales, which were up by 45 percent over Q2 of the prior year. Retail sales of Logitech products also grew - up 11 percent over the same quarter last year. The sequential improvement in gross margin was a significant factor for the higher-than-expected operating income.

"We're very pleased with our performance for the second quarter," said Guerrino De Luca, Logitech's president and chief executive officer. "Our record sales, solid profitability and improved margins for Q2 clearly indicate that our growth initiatives and product-cost improvements are working."

"Our OEM revenue was the highest ever, driven by sales to Sony of the EyeToy™ Camera and the USB Headset for the Sony® PlayStation® 2, and by the appeal of our products that enable personal computer producers and marketers to differentiate their systems with innovative, high-quality interface products."

"For key Logitech retail products -- such as cordless mice, gaming peripherals for consoles and PCs, PC speakers and headsets, and webcams -- we were able to deliver significant growth, and defend or gain market share in a vibrant and extremely competitive market."

Highlights of Logitech's second quarter include:

- Record performance for Logitech's console-gaming peripherals, representing the Company's highest level of sales and unit shipments - sales for these products more than tripled compared to the same quarter last year
- Retail sales of Logitech-branded speakers more than doubled over Q2 of last year
- Retail sales of webcams increased by 36 percent over Q2 of last year
- Cash flow from operations was \$31 million for Q2, 2004, up \$20 million compared with the same quarter a year ago
- Celebration of a key milestone - shipment of the Company's 500 millionth mouse
- Successful launch of the Company's first-ever television advertising campaign, which is integrated with print and Web advertising
- Introduction of innovative keyboard and mouse products with a wireless hub for Bluetooth® connectivity - the products provide interoperability between a desktop PC and Bluetooth mobile phones, PDAs, headsets and printers
- Introduction of compelling new retail products, including cordless mice, PC speakers, cordless headsets and gaming peripherals for PCs and consoles

For the fiscal year 2004, ending March 31, 2004, the Company reaffirmed its targets for 10 percent growth in revenue and 15 percent growth in operating income, over FY 2003.

"Logitech's stated sales and operating income goals for our full fiscal year are unchanged," Mr. De Luca said. "In the face of intense competition, our Q2 performance is yet another example of the ability of Logitech's people to fight and win. Our priority is to continue to drive growth and market share, while balancing profitability and gross margin. Based on the momentum we see now from initiatives begun in the first half of the fiscal year, we believe our operating income growth goal of 15 percent, while ambitious, is attainable."

Logitech also announced that its board of directors has approved a new Share Buyback Program, which allows the Company to spend up to 40 million Swiss francs (approximately U.S. \$30 million) on the purchase of Logitech shares, over the next twelve months.

To discuss its earnings results for Q2 of fiscal 2004 and its outlook for the full fiscal year ending March 31, 2004, Logitech will conduct a teleconference today at 9:00 a.m. PDT/12:00 p.m. EDT/18:00 Central European Time. A live webcast of the teleconference will be accessible at <http://www.logitech.com>. A replay of this teleconference will be made available on the Logitech Web site. Please visit the Web site at least 10 minutes early to register for the teleconference webcast.

About Logitech

Logitech designs, manufactures and markets personal interface products that enable people to effectively work, play, and communicate in the digital world. With corporate headquarters through its U.S. subsidiary in Fremont, California, and regional headquarters through local subsidiaries in Switzerland, Taiwan and Hong Kong, Logitech International is a Swiss public company traded in Switzerland on the Swiss Stock Exchange (LOGN) and in the U.S. on the Nasdaq National Market System (LOGI). The company has manufacturing facilities in Asia and offices in major cities in North America, Europe and Asia Pacific.

This press release contains forward-looking statements, including the statements regarding Logitech's expected revenue and operating income for fiscal 2004 and the effectiveness of the Company's growth initiatives and product-cost improvements. These forward-looking statements involve risks and uncertainties that could cause Logitech's actual performance to differ materially from that anticipated in these forward-looking statements. Factors that could cause actual results to differ materially include Logitech's ability to continue to implement product cost improvements, the sales mix of our higher and lower margin retail and OEM products, an increase in the amount or frequency of price reductions and promotions in response to competition, the timing of new product introductions by Logitech and its competitors and their acceptance by the market, our ability to match production to demand and coordinate the worldwide manufacturing and distribution of our products in a timely and cost-effective manner, general economic and political conditions, the effect of fluctuations in exchange rates, as well as generally those additional factors set forth in our Annual Report on Form 20-F for the fiscal year ended March 31, 2003, and subsequent filings, available from the SEC's Edgar database at www.sec.gov and upon request from Logitech by calling (510) 713-4220. Logitech does not undertake to update any forward-looking statements.

Logitech, the Logitech logo and other Logitech marks are owned by Logitech and may be registered. All other trademarks are the property of their respective owners. For more information about Logitech and its products, visit the Company's web site at www.logitech.com.

LOGITECH INTERNATIONAL S.A.		
	Quarter Ended September 30	
CONSOLIDATED STATEMENTS OF INCOME (In thousands, except per share / ADS) - Unaudited	2004	2003
Net sales	\$ 329,568	\$ 293,593
Cost of goods sold	220,299	201,131
Gross profit	109,269	92,462
% of net sales	33.2%	31.5%
Operating expenses:		
Marketing and selling	49,233	39,483
Research and development	17,503	14,541
General and administration	12,986	11,019
Total operating expenses	79,722	65,043
Operating income	29,547	27,419
Interest expense, net	(225)	(1,104)
Other income, net	1,253	190
Income before income taxes	30,575	26,505
Provision for income taxes	4,586	5,301
Net income	\$ 25,989	\$ 21,204

Shares used to compute net income per share and ADS:		
Basic	44,112	45,669
Diluted	49,219	50,093
Net income per share and ADS:		
Basic	\$0.59	\$0.46
Diluted	\$0.54	\$0.44

LOGITECH INTERNATIONAL S.A.		
	Six Months Ended September 30	
CONSOLIDATED STATEMENTS OF INCOME (In thousands, except per share / ADS) - Unaudited	2004	2003
Net sales	\$ 596,162	\$ 511,785
Cost of goods sold	396,027	358,685
Gross profit	200,135	153,100
% of net sales	33.6%	29.9%
Operating expenses:		
Marketing and selling	88,802	67,515
Research and development	34,182	29,136
General and administration	26,028	21,177
Total operating expenses	149,012	117,828
Operating income	51,123	35,272
Interest expense, net	(515)	(1,353)
Other income (expense), net	2,149	(293)
Income before income taxes	52,757	33,626
Provision for income taxes	7,913	6,725
Net income	\$ 44,844	\$ 26,901
Shares used to compute net income per share and ADS:		
Basic	44,474	45,706

Diluted	49,647	50,411
Net income per share and ADS:		
Basic	\$1.01	\$0.59
Diluted	\$0.93	\$0.56

LOGITECH INTERNATIONAL S.A.			
CONSOLIDATED BALANCE SHEETS (In thousands) - Unaudited	September 30, 2004	March 31, 2004	September 30, 2003
Current assets			
Cash and cash equivalents	\$ 193,477	\$ 294,753	\$ 196,904
Accounts receivable	214,858	206,187	216,766
Inventories	194,665	135,561	133,388
Other current assets	44,210	45,304	38,564
Total current assets	647,210	681,805	585,622
Investments	16,754	16,172	16,137
Property, plant and equipment	43,661	37,308	37,842
Intangible assets			
Goodwill	133,630	108,615	108,615
Other intangible assets	19,122	12,543	15,116
Other assets	3,554	9,473	7,595
Total assets	\$ 863,931	\$ 865,916	\$ 770,927
Current liabilities			
Short-term debt	\$ 9,595	\$ 14,129	\$ 10,340
Accounts payable	160,742	143,016	160,076
Accrued liabilities	130,580	113,752	103,919
Total current liabilities	300,917	270,897	274,335
Long-term debt	140,771	137,008	132,960
Other liabilities	883	931	3,539
Total liabilities	442,571	408,836	410,834
Shareholders' equity	421,360	457,080	360,093
Total liabilities and shareholders' equity	\$ 863,931	\$ 865,916	\$ 770,927

LOGITECH INTERNATIONAL S.A.		
	Quarter Ended September 30	
SUPPLEMENTAL FINANCIAL INFORMATION (In thousands) - Unaudited	2004	2003
Depreciation	\$ 6,240	\$ 6,762
Amortization of other acquisition-related intangibles	1,585	1,295
Operating income	29,547	27,419
Operating income before depreciation and amortization	37,372	35,476
Capital expenditures	7,737	5,031
Net sales by channel:		
Retail	\$ 284,924	\$ 234,478
OEM	44,644	59,115
Total net sales	\$ 329,568	\$ 293,593
Net sales by product family:		
Retail - Cordless	\$ 100,970	\$ 73,091
Retail - Corded	71,632	77,034
Retail - Video	47,984	36,607
Retail - Audio	33,107	28,224
Retail - Gaming	24,935	16,261
Retail - Other	6,296	3,261
OEM	44,644	59,115
Total net sales	\$ 329,568	\$ 293,593

LOGITECH INTERNATIONAL S.A.		
	Six Months Ended September 30	
SUPPLEMENTAL FINANCIAL INFORMATION (In thousands) - Unaudited	2004	2003
Depreciation	\$ 12,156	\$ 12,623
Amortization of other acquisition-related intangibles	2,981	2,672
Operating income	51,123	35,272
Operating income before depreciation and amortization	66,260	50,567

Capital expenditures	18,328	11,804
Net sales by channel:		
Retail	\$ 508,395	\$ 404,303
OEM	87,767	107,482
Total net sales	\$ 596,162	\$ 511,785
Net sales by product family:		
Retail - Cordless	\$ 177,650	\$ 128,448
Retail - Corded	129,201	136,478
Retail - Video	93,879	58,422
Retail - Audio	54,606	47,731
Retail - Gaming	41,184	24,436
Retail - Other	11,875	8,788
OEM	87,767	107,482
Total net sales	\$ 596,162	\$ 511,785