



Logitech Continues Strong Growth with Best Quarter Ever

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Third Quarter Sales Up 18% at \$352 million; Operating Income Up 20% at \$51 million; Net Income Up 22% at \$40 million

Romanel, Switzerland/Fremont, CA -- January 21, 2003 - Logitech (Nasdaq:LOGI) (Switzerland:LOGN) has posted its best quarter yet, with strong holiday sales across both traditional and new product categories. Revenue for the quarter ended December 31, 2002 reached \$351.8 million, an increase of 18 percent over the same quarter last year. Operating income was \$50.8 million, an increase of 20 percent over the same quarter of the previous year. Net income of \$40.4 million (\$0.80 per share) was 22 percent higher year over year. Gross margin was 33.3 percent, compared with 34.7 percent for the same quarter last year.

Retail sales increased by 15 percent over the same quarter last year and represented 85 percent of total revenue for the quarter. OEM sales grew by 37 percent year over year, as the Company continued to expand its OEM offerings.

"We are extremely pleased with our continued ability to meet challenges and show significant growth during this prolonged period of difficulty for the high-tech industry and weaker consumer spending," said Guerrino De Luca, president and chief executive officer. "Our third-quarter results reflect both a solid foundation and the ability to innovate within our core product lines, as well as our increasing success in markets we have entered more recently, such as PC speakers and gaming consoles. We believe this speaks to the soundness of our strategy of expanding our PC-based product portfolio while at the same time introducing personal interface products that address alternate computing platforms."

Third quarter highlights included:

- Reaching a cordless milestone: 30 million cordless devices sold
- 23 percent increase in overall unit sales of Logitech branded products
- Revenue from products for gaming console systems more than doubled
- 142 percent increase in revenue from sales of Logitech branded speakers
- Establishment of a strategic distribution partnership with Digital China, the largest systems integrator and distributor of IT products in China
- Introduction of pen and paper to the digital world with the launch of the Logitech® io™ Personal Digital Pen

"During calendar year 2002, we passed the \$1 billion mark in sales for the first time in Logitech's history," added Mr. De Luca. "In acknowledging this milestone, we are optimistic that our product portfolio, our geographic presence and the skills and dedication of our employees will allow us to maintain double-digit growth and sustained profitability."

For the current quarter ending March 31, 2003, the Company expects revenue to range between \$285 million and \$290 million and operating income to reach approximately \$32 million. Reaching these targets would lead the Company to exceed its revenue and operating income goals for the full fiscal year 2003 of \$1.07 billion and \$120 million respectively.

Logitech provided a preliminary target for the coming fiscal year 2004, ending March 31, 2004, of revenue growth in the order of 10 percent and operating income growth in the order of 15 percent over the current fiscal year.

There will be an earnings teleconference today at 9:00 AM Pacific Time/12:00 PM Eastern Time/18:00 Central European Time to discuss these results as well as guidance regarding revenues and operating income for both the fourth quarter and year ending March 31, 2003, and the full fiscal year ending March 31, 2004. In addition, a live webcast of the teleconference will be accessible at <http://www.logitech.com>. A replay of this teleconference will be made available through February 7, 2003 on the Logitech web site.

Please visit the web site at least 10 minutes early to register for the teleconference webcast.

About Logitech

Founded in 1981, 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 with respect to future results, including the statements regarding Logitech's continued ability to show significant growth, increasing success in recently entered markets, the maintenance of double-digit growth and sustained profitability, and revenue and operating income growth for the quarter and full fiscal year ending March 31, 2003 and for the full fiscal year ending March 31, 2004. These forward-looking statements involve risks and uncertainties. The Company's actual performance could differ materially from that anticipated in these forward-looking statements as a result of certain factors, including the timing of new product introductions by the Company and its competitors and their acceptance by the market, timely

availability and pricing of products and components, the successful distribution of our products to customers, price protection charges and product returns from customers, the impact of competition on the Company's average selling prices and operating expenses, inventory management and exposures, the outcome of ongoing intellectual property disputes, technological changes and their acceptance by the market, fluctuations in exchange rates, general economic conditions, as well as generally those additional factors set forth in the Company's Annual Report on Form 20-F dated June 11, 2002, and subsequent filings available from the SEC, online from the Edgar database at <http://www.sec.gov/>, or upon request from Logitech by calling (510) 713-4220. Logitech does not undertake to update any forward-looking statements

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LOGITECH INTERNATIONAL S.A.		
	Quarter Ended December 31	
CONSOLIDATED STATEMENTS OF INCOME (In thousands of U.S. dollars, except share and per share / ADS) - Unaudited	2003	2002
Net sales	\$ 409,557	\$ 351,756
Cost of goods sold	269,082	234,744
Gross profit	140,475	117,012
% of net sales	34.3%	33.3%
Operating expenses:		
Marketing and selling	47,751	41,271
Research and development	15,582	14,220
General and administration	11,800	10,750
Total operating expenses	75,133	66,241
Operating income	65,342	50,771
Interest expense, net	(316)	(239)
Other income, net	1,786	8
Income before income taxes	66,812	50,540
Provision for income taxes	12	10,108
Net income	\$ 66,800	\$ 40,432
Shares used to compute net income per share and ADS:		
Basic	44,879,489	46,045,955
Diluted	49,764,195	51,168,419
Net income per share and ADS:		
Basic	\$1.49	\$0.88

Diluted	\$1.35	\$0.80
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LOGITECH INTERNATIONAL S.A.		
	Nine Months Ended December 31	
CONSOLIDATED STATEMENTS OF INCOME (In thousands of U.S. dollars, except share and per share / ADS) - Unaudited	2003	2002
Net sales	\$ 921,342	\$ 798,584
Cost of goods sold	627,767	529,327
Gross profit	293,575	269,257
% of net sales	31.9%	33.7%
Operating expenses:		
Marketing and selling	115,266	107,485
Research and development	44,718	40,853
General and administration	32,977	31,862
Total operating expenses	192,961	180,200
Operating income	100,614	89,057
Interest expense, net	(1,669)	(508)
Other income, net	1,493	1,716
Income before income taxes	100,438	90,265
Provision for income taxes	6,737	18,044
Net income	\$ 93,701	\$ 72,221
Shares used to compute net income per share and ADS:		
Basic	45,427,207	46,081,614
Diluted	50,175,604	51,795,923
Net income per share and ADS:		
Basic	\$2.06	\$1.57
Diluted	\$1.91	\$1.43

LOGITECH INTERNATIONAL S.A.			
CONSOLIDATED BALANCE SHEETS (In thousands of U.S. dollars) - Unaudited	December 31, 2003	March 31, 2003	December 31, 2002
Current assets			
Cash and cash equivalents	\$ 234,778	\$ 218,734	\$ 169,499
Accounts receivable	273,326	181,644	239,417
Inventories	140,666	124,123	140,636
Other current assets	51,266	38,762	38,344
Total current assets	700,036	563,263	587,896
Investments	16,189	1,458	1,434
Property, plant and equipment	36,469	38,914	39,861
Intangible assets			
Goodwill	108,615	108,615	108,615
Other intangible assets	13,838	17,523	18,679
Other assets	12,072	8,529	12,940
Total assets	\$ 887,219	\$ 738,302	\$ 769,425
Current liabilities			
Short-term debt	\$ 10,499	\$ 10,102	\$ 10,161
Accounts payable	179,642	129,326	164,103
Accrued liabilities	122,558	98,134	108,779
Total current liabilities	312,699	237,562	283,043
Long term debt	142,433	131,615	127,031
Other liabilities	3,535	3,563	3,540
Total liabilities	458,667	372,740	413,614
Shareholders' equity	428,552	365,562	355,811
Total liabilities and shareholders' equity	\$ 887,219	\$ 738,302	\$ 769,425

LOGITECH INTERNATIONAL S.A.				
(In thousands of U.S. dollars) - Unaudited				
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION				
	Quarter Ended December 31		Nine Months Ended December 31	

Income statement-related	2003	2002	2003	2002
Depreciation	\$ 7,733	\$ 8,273	\$ 20,356	\$ 20,162
Amortization of other acquisition-related intangibles	1,273	1,261	3,945	3,791
Operating income	65,342	50,771	100,614	89,057
Operating income before depreciation and amortization	74,348	60,305	124,915	113,010
Capital expenditures	5,916	9,019	17,720	24,493
A reconciliation between net income on a GAAP basis and non-GAAP basis is as follows:				
GAAP net income	\$ 66,800	\$ 40,432	\$ 93,701	\$ 72,221
Less: Release tax valuation allowance (1)	13,350	-	13,350	-
Non-GAAP net income	\$ 53,450	\$ 40,432	\$ 80,351	\$ 72,221
Shares used to compute net income per share and ADS:				
Basic	44,879,489	46,045,955	45,427,207	46,081,614
Diluted	49,764,195	51,168,419	50,175,604	51,795,923
Net income per share and ADS:				
Basic	\$1.19	\$0.88	\$1.77	\$1.57
Diluted	\$1.09	\$0.80	\$1.64	\$1.43

(1) During the quarter ending December 31, 2003, the Company released a valuation allowance on specific deferred tax assets that was no longer required. As a result, taxes and net income for the quarter ending December 31, 2003, included a one-time favorable impact of \$13.4 million. In order to provide investors with information comparable to historically reported data, Logitech believes it is appropriate to provide net income and basic and diluted net income per share without the favorable impact of the release of the valuation allowance.