



Logitech Closes Record Q4, Fifth Record Year; Tops the Billion-Dollar Mark

Q4 FY 2003

- **Revenue \$302 Million (up 18%)**
- **Operating Income \$34.8 Million (up 24%)**
- **Net Income \$26.6 Million (up 24%)**

Fiscal Year 2003

- **Revenue \$1.1 Billion (up 17%)**
- **Operating Income \$124 Million (up 27%)**
- **Net Income \$99 Million (up 32%)**

Romanel, Switzerland/Fremont, CA -- April 23, 2003 - Logitech International (SWX:LOGN) (NASDAQ:LOGI) has completed a fifth consecutive year of record sales and record profitability. For Q4 2003, which ended on March 31, 2003, the Company posted sales of \$302 million, an 18 percent growth over sales of \$256 million for the same quarter last year. Operating income of \$34.8 million was 24 percent greater than the same quarter in the previous year. Net income reached \$26.6 million (\$0.54 per share/ADS), compared with \$21.5 million (\$0.42 per share/ADS) for Q4 FY02. Gross margin was 31.6 percent, compared with 34.2 percent for the same quarter last year.

For the full fiscal year, Logitech topped the billion-dollar mark, posting \$1.1 billion in revenue, a 17 percent growth over fiscal 2002. Operating income at \$124 million was 27 percent higher than \$97 million for the prior year, while net income at \$99 million (\$1.97 per share/ADS) grew by 32 percent over last year's net income of \$75 million (\$1.50 per share/ADS). Gross margin was 33.1 percent, compared with 33.4 percent for fiscal 2002.

The Company's retail business continued to thrive, increasing by 16 percent for the quarter and 15 percent for the entire year. The OEM business delivered even stronger performance, growing by 26 percent during the fourth quarter and 23 percent for the full year, as the Company continued to increase the products it offers its traditional PC customers, as well as to broaden its presence in the console industry.

"We are very pleased with these strong results during a difficult period for the technology industry," said Guerrino De Luca, president and chief executive officer. "Despite a generally sluggish market characterized by weakening consumer confidence, Logitech has consistently been able to sustain growth through the launch of innovative products and effective cost management.

"In these challenging times, we must fight every day to introduce an ongoing stream of powerful, attractively priced offerings across all categories. While this is never easy, these results give us continued reason for confidence in our ability to grow further."

Highlights for Fiscal 2003 include:

- Record operating and net margins of 11.3 percent and 9.0 percent respectively
- Cash flow from operations of \$145 million
- Introduction of 91 new products, a record number
- Sale of 43 million Logitech-branded products (a 19 percent increase over the prior year)
- 33 percent growth in audio sales
- 52 percent growth in console sales
- Reaching a cordless milestone: 30 million cordless devices sold
- Release of the highest-performance mouse on the market: the Logitech® MX™ 700
- Delivery of the first THX®-certified multimedia, multi-platform digital speaker system, the Logitech® Z-680
- Launch of the Logitech® io™ Personal Digital Pen, a new approach to digital writing on the PC platform
- Added another compelling application for the webcam category with the completion of a technology and marketing agreement with Microsoft to offer Video Instant Messaging to MSN® Messenger customers

Logitech indicated that it expects sales for the current fiscal year ending March 31, 2004, to reach approximately \$1.21 billion. Operating income for the year is expected to reach approximately \$142 million. Gross margin for the full year should be approximately 33 percent.

As the Company expects its operating income to continue to grow at a faster pace than its revenue in the foreseeable future, it set

an upgraded three-year target for its operating and net profit margins, to reach 12 and 10 percent respectively.

For the current quarter, ending June 30, 2003, the Company expects sales of between \$215 and \$220 million, a growth of approximately 11 to 13 percent, and operating income of slightly better than \$14 million, a growth of approximately 15 percent. Gross margin for the quarter is expected to be around 32 percent.

There will be an investor and analyst meeting held today in Zurich at 10:00 Central European Time/4:00 A.M. Eastern Time to discuss financial results for the fiscal fourth quarter and year-end as well as guidance regarding revenues and operating income for the quarter ending June 30, 2003 and the full fiscal year ending March 31, 2004. A live webcast of the meeting will be available at www.logitech.com. A replay of this webcast will be made available through May 2 on the Logitech corporate website.

There will also be an earnings teleconference at 16:00 Central European Time/10:00 A.M. Eastern Time today to discuss these results as well as revenue and operating income guidance for the quarter ending June 30, 2003 and the full fiscal year ending March 31, 2004. In addition, a live webcast of the teleconference can be accessed at www.logitech.com. A replay of this teleconference will be made available on the Logitech corporate web site.

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 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 ability to continue to grow its business, the breadth of its product offerings, expected revenue, operating income and gross margins for the quarter ending June 30, 2004 and the full fiscal year ending March 31, 2004, the relative rate of growth of operating income compared to revenue and Logitech's 3-year targets for net and operating profit margins. These forward-looking statements involve risks and uncertainties. Logitech's actual performance could differ materially from that anticipated in these forward-looking statements as a result of certain factors, including fluctuations in our quarterly results, general economic and political conditions, the timing of new product introductions by the Company and its competitors and their acceptance by the market, continued financial stability of our distributors, retailers and OEM customers, our ability to match production to demand and coordinate the worldwide manufacturing and distribution of our products in a timely and cost-effective manner, timely availability and pricing of products and components, price protection charges and product returns from customers, the impact of competition on the Company's average selling prices and operating expenses, fluctuations in exchange rates, as well as generally those additional factors set forth in our Annual Report on Form 20-F dated June 11, 2002, 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.

All 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 March 31	
CONSOLIDATED STATEMENTS OF INCOME (In thousands except per share / ADS) - Unaudited	2004	2003
Net sales	\$ 347,128	\$ 301,704
Cost of goods sold	231,781	206,457
Gross profit	115,347	95,247
% of net sales	33.2%	31.6%
Operating expenses:		
Marketing and selling	41,527	33,709
Research and development	16,571	15,342
General and administration	12,309	11,371
Total operating expenses	70,407	60,422

Operating income	44,940	34,825
Interest expense, net	(189)	(688)
Other income (expense), net	480	(850)
Income before income taxes	45,231	33,287
Provision for income taxes	6,779	6,665
Net income	\$ 38,452	\$ 26,622
Shares used to compute net income per share and ADS:		
Basic	45,117	45,721
Diluted	50,404	50,607
Net income per share and ADS:		
Basic	\$0.85	\$0.58
Diluted	\$0.78	\$0.54

LOGITECH INTERNATIONAL S.A.		
	Twelve Months Ended March 31	
CONSOLIDATED STATEMENTS OF INCOME (In thousands, except per share / ADS) - Unaudited	2004	2003
Net sales	\$ 1,268,470	\$ 1,100,288
Cost of goods sold	859,548	735,784
Gross profit	408,922	364,504
% of net sales	32.2%	33.1%
Operating expenses:		
Marketing and selling	156,793	141,194
Research and development	61,289	56,195
General and administration	45,286	43,233
Total operating expenses	263,368	240,622

Operating income	145,554	123,882
Interest expense, net	(1,858)	(1,196)
Other income, net	1,973	866
Income before income taxes	145,669	123,552
Provision for income taxes	13,516	24,709
Net income	\$ 132,153	\$ 98,843
Shares used to compute net income per share and ADS:		
Basic	45,346	45,989
Diluted	50,160	51,409
Net income per share and ADS:		
Basic	\$2.91	\$2.15
Diluted	\$2.69	\$1.97

LOGITECH INTERNATIONAL S.A.			
CONSOLIDATED BALANCE SHEETS (In thousands) - Unaudited	March 31, 2004	March 31, 2003	March 31, 2002
Current assets			
Cash and cash equivalents	\$ 294,753	\$ 218,734	\$ 143,101
Accounts receivable	206,187	181,644	171,103
Inventories	135,561	124,123	85,124
Other current assets	45,304	38,762	33,486
Total current assets	681,805	563,263	432,814
Investments	16,172	1,458	8,713
Property, plant and equipment	37,308	38,914	32,086
Intangible assets			
Goodwill	108,615	108,615	102,017
Other intangible assets	12,543	17,523	15,358
Other assets	9,473	8,529	4,756
Total assets	\$ 865,916	\$ 738,302	\$ 595,744

Current liabilities			
Short-term debt	\$ 10,508	\$ 10,102	\$ 5,527
Accounts payable	143,016	129,326	88,268
Accrued liabilities	113,752	98,134	73,309
Total current liabilities	267,276	237,562	167,104
Long-term debt	140,629	131,615	104,812
Other liabilities	931	3,563	811
Total liabilities	408,836	372,740	272,727
Shareholders' equity	457,080	365,562	323,017
Total liabilities and shareholders' equity	\$ 865,916	\$ 738,302	\$ 595,744

LOGITECH INTERNATIONAL S.A.				
(In thousands, except per share/ADS) - Unaudited				
	Quarter Ended March 31		Twelve Months Ended March 31	
SUPPLEMENTAL FINANCIAL INFORMATION	2004	2003	2004	2003
Depreciation	\$ 5,808	\$ 5,360	\$ 26,164	\$ 25,522
Amortization of other acquisition-related intangibles	1,295	1,256	5,240	5,047
Operating income	44,940	34,825	145,554	123,882
Operating income before depreciation and amortization	52,043	41,441	176,958	154,451
Capital expenditures	6,998	4,164	24,718	28,657
A reconciliation between net income on a GAAP basis and a non-GAAP basis is as follows:				
GAAP net income			\$ 132,153	\$ 98,843
Less: Release tax valuation allowance (1)			13,350	-
Non-GAAP net income			\$ 118,803	\$ 98,843
Shares used to compute net income per share and ADS:				
Basic			45,346	45,989
Diluted			50,160	51,409
Non-GAAP net income per share and ADS:				
Basic			\$2.62	\$2.15
Diluted			\$2.37	\$1.97

(1) During the quarter ended December 31, 2003, the Company released a valuation allowance on specific deferred tax assets that

was no longer required. As a result, the income tax provision and net income for the year ended March 31, 2004, 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 net income per share excluding the favorable impact of the release of the valuation allowance.