



Logitech Posts Record Q2 Results

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Romanel, Switzerland/Fremont, CA - October 22, 2002 -- Logitech (Nasdaq:LOGI) (Switzerland:LOGN) has posted another record Q2, exceeding company targets. Sales reached \$252 million, an increase of 16 percent over the same quarter last year. Operating income was \$25.7 million, an increase of 37 percent over the second quarter of the previous year. Net income of \$21 million (\$0.42 per share) was 51 percent higher. Gross margin of 34.1 percent represented an improvement of 165 basis points over the same quarter last year. Earnings per share were 50 percent higher than the second quarter last year.

For the six-month period ended September 30, 2002, as compared to the same period last year, total revenue grew 15 percent to \$447 million; operating income grew 42 percent to \$38.3 million; and net income grew 57 percent to \$31.8 million. Earnings per share were 50 percent higher.

"In a period of economic challenge, results like these are only possible through great products and great execution on the part of our employees," said Guerrino De Luca, president and chief executive officer. "We're very pleased with this performance, and delighted with the continuing consumer demand for Logitech's products across all categories as we enter the holiday selling season--particularly as the economy continues to struggle and overall consumer sentiment is weak."

Highlights of Logitech's second quarter include:

- Introduction of 50 new retail products, including 35 in September--the largest new product wave ever, with every category impacted.
- Launch of the Logitech MX series of high performance mice. Powered by Logitech's MX Optical Engine, the mice capture up to 4.7 megapixels of surface tracking information every second, more than any optical mouse to date
- Growth in the Company's OEM business, countering the decline of new PC sales, due to increased breadth and diversity of OEM offerings.
- Increase of 41 percent in retail video sales.
- Increase of 34 percent in audio sales, confirming the prospects of this new market for Logitech.
- For the six-month period, \$39 million in cash flow from operations.
- Strong balance sheet, with a \$100 million increase in net cash compared with the prior year.

For the fiscal year ending March 31, 2003 the Company now expects revenue of \$1,070 million (an increase of 13 percent over Fiscal 2002), versus its original target of \$1,100 million. In view of its success in cost management and ongoing healthy profit margins, the Company reaffirms its original yearly operating income goal of \$120 million (an increase of 23 percent compared with the prior year).

"Given the broader economic conditions, we believe it is prudent to rein in our revenue growth objectives and focus on increased profitability," said Mr. De Luca, in commenting on the revised guidance. "We have shown in the first two quarters of this financial year that our business model continues to generate strong growth in profits while building the company for the long-term. We are confident that we can continue on this path in the months ahead."

For the current quarter ending December 31, 2002, the Company expects revenue to range between \$330 million and \$335 million (a 10 to 12 percent growth over the same period last year) and operating income to reach \$48 million (an increase of 14 percent over the same period last year).

There will be an earnings teleconference today at 9:00 A.M. Pacific Daylight Time/12:00 P.M. Eastern Daylight Time/18:00 Central European Time to discuss these results as well as guidance regarding revenues and operating income for the third quarter ending December 31, 2002, and guidance for the full fiscal year ending March 31, 2003. In addition, a live webcast of the teleconference will be accessible at <http://www.logitech.com>, as well as a replay of the teleconference, which will remain on the site through November 1, 2002.

About Logitech

Founded in 1981, Logitech designs, manufactures and markets personal interface products that provide people with easy access to the digital world. The Company's product family includes Internet video cameras, mice and trackballs, keyboards, headsets and speakers, interactive gaming devices and 3D controllers.

With operational 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 under the symbol 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 statements regarding expected

revenue and operating income for the third quarter and full FY2003, growth of the Company's business and future profit margins. 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 www.sec.gov, or 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 September 30	
CONSOLIDATED STATEMENTS OF INCOME	2003	2002
(In thousands of U.S. dollars, except share and per share / ADS) - Unaudited		
Net sales	\$ 293,593	\$ 251,764
Cost of goods sold	201,131	165,831
Gross profit	92,462	85,933
% of net sales	31.5%	34.1%
Operating expenses:		
Marketing and selling	39,483	35,942
Research and development	14,541	13,730
General and administration	11,019	10,590
Total operating expenses	65,043	60,262
Operating income	27,419	25,671
Interest expense, net	(1,104)	(57)
Other income, net	190	634
Income before income taxes	26,505	26,248
Provision for income taxes	5,301	5,241
Net income	\$ 21,204	\$ 21,007
Shares used to compute net income per share and ADS:		
Basic	45,669,184	46,133,400

Diluted	50,093,710	51,593,417
Net income per share and ADS:		
Basic	\$0.46	\$0.46
Diluted	\$0.44	\$0.42

LOGITECH INTERNATIONAL S.A.		
	Six Months Ended September 30	
CONSOLIDATED STATEMENTS OF INCOME (In thousands of U.S. dollars, except share and per share / ADS) - Unaudited	2003	2002
Net sales	\$ 511,785	\$ 446,828
Cost of goods sold	358,685	294,583
Gross profit	153,100	152,245
% of net sales	29.9%	34.1%
Operating expenses:		
Marketing and selling	67,515	66,214
Research and development	29,136	26,633
General and administration	21,177	21,112
Total operating expenses	117,828	113,959
Operating income	35,272	38,286
Interest expense, net	(1,353)	(269)
Other income (expense), net	(293)	1,708
Income before income taxes	33,626	39,725
Provision for income taxes	6,725	7,936
Net income	\$ 26,901	\$ 31,789
Shares used to compute net income per share and ADS:		
Basic	45,705,656	46,099,641
Diluted	50,411,144	52,087,994

Net income per share and ADS:		
Basic	\$0.59	\$0.69
Diluted	\$0.56	\$0.63

LOGITECH INTERNATIONAL S.A.			
CONSOLIDATED BALANCE SHEETS (In thousands of U.S. dollars) - Unaudited	September 30, 2003	March 31, 2003	September 30, 2002
Current assets			
Cash and cash equivalents	\$ 196,904	\$ 218,734	\$ 153,272
Accounts receivable	216,766	181,644	181,426
Inventories	133,388	124,123	131,545
Other current assets	38,564	38,762	35,386
Total current assets	585,622	563,263	501,629
Investments	16,137	1,458	2,157
Property, plant and equipment	37,842	38,914	38,706
Intangible assets			
Goodwill	108,615	108,615	108,615
Other intangible assets	15,116	17,523	19,939
Other assets	7,595	8,529	13,066
Total assets	\$ 770,927	\$ 738,302	\$ 684,112
Current liabilities			
Short-term debt	\$ 10,340	\$ 10,102	\$ 7,103
Accounts payable	160,076	129,326	138,226
Accrued liabilities	103,919	98,134	86,474
Total current liabilities	274,335	237,562	231,803
Long term debt	132,960	131,615	119,002
Other liabilities	3,539	3,563	3,516
Total liabilities	410,834	372,740	354,321
Shareholders' equity	360,093	365,562	329,791
Total liabilities and shareholders' equity	\$ 770,927	\$ 738,302	\$ 684,112

LOGITECH INTERNATIONAL S.A.				
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION (In thousands of U.S. dollars) - Unaudited				
	Quarter Ended September 30		Six Months Ended September 30	
	2003	2002	2003	2002
Depreciation	\$ 6,762	\$ 5,840	\$ 12,623	\$ 11,889
Amortization of other acquisition-related intangibles	1,295	1,277	2,672	2,530
Operating income	27,419	25,671	35,272	38,286
Operating income before depreciation and amortization	35,476	32,788	50,567	52,705
Capital expenditures	5,031	6,359	11,804	15,474