

Logitech Posts Record Q1 Earnings

Revenue Up 26%; Net Income Up 27%; Operating Income Doubles

Romanel-sur-Morges, Switzerland; Fremont, CA -- July 24, 2001 - Logitech International (NASDAQ:LOGIY) (Switzerland:LOGN, LOGZ) today posted record first-quarter earnings, with revenue of \$177.9 million, a 26 percent growth over last year's Q1 sales of \$141.4 million. Net income reached \$6.3 million (\$1.30 per share; \$0.13 per ADS), compared with \$5 million for the same quarter last year. Operating income of \$8.2 million was more than double that of the previous year. Gross margin was 34 percent, an improvement of 60 basis points year-over-year.

"We are pleased with these strong results, which underscore the customer appeal of our product lines and validate our focus on attractive aftermarket opportunities," said Guerrino De Luca, president and chief executive officer. "Today, consumers look to enhance their existing systems with peripherals that enable them to take advantage of new technologies and applications such as cordless connectivity, visual communication on the Internet and emerging audio applications such as voice-over-IP and interactive entertainment.

"Several of our newest retail products merit special mention. Cordless MouseMan® Optical, the first and only mouse on the market to combine cordless freedom with optical precision, has sold more than half a million units since its debut in March. Likewise, the GT ForceTM Racing Wheel for PlayStation® 2, our first entry into the rapidly growing console market, is a success worldwide, with excellent prospects as more and more developers write to this exciting new entertainment platform.

"In June, we made a significant announcement with regard to our video business -- a marketing agreement with Yahoo! under which Logitech's QuickCam® family will be promoted as an ideal means to take advantage of webcam functionality now integrated within Yahoo! Messenger and other Yahoo! properties. According to industry analysts, instant messaging has become today's fastest growing communications platform. The marketing agreement with Yahoo! places Logitech in an ideal position to benefit from this phenomenon.

"As we approach the holiday selling season," Mr. De Luca concluded, "we will be introducing additional innovative products across our entire product portfolio. We continue to be committed to our business model, and we remain optimistic about our opportunities for further growth."

The Company reiterated its financial guidance for fiscal 2002, stating that it expects sales to grow by approximately 25 percent, with operating income increasing by 40 to 45 percent. For the second quarter, ending September 30, 2001, the Company expects 12 to 14 percent growth in revenue and 35 to 40 percent increase in operating income.

About Logitech

Founded in 1981, Logitech designs, manufactures and markets human interface devices and software that link people to digital information and the Internet and enable them to work, play, learn and communicate more effectively in the digital world. The Company's product family includes Internet video cameras; mice, trackballs and keyboards; PC audio and telephony products; and interactive gaming controllers.

With operational headquarters through its U.S. subsidiary in Fremont, California, and regional headquarters through local subsidiaries in Romanel, Switzerland, and Hsinchu, Taiwan, R.O.C., Logitech International is a Swiss public company traded in Switzerland under the symbols LOGN and LOGZ, and in the U.S. on the Nasdaq National Market System (LOGIY). 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 statements regarding expected sales and operating income for the second quarter and full year of fiscal 2002, the rate and prospects for growth in the console market, and the opportunities for further growth in sales of the Company. 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, 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 May 31, 2001 available from the SEC's Edgar database at http://www.sec.gov and upon request from Logitech by calling (510) 713-4220.

The Company is an early adopter of Financial Accounting Standard 142, which provides for the treatment of Goodwill and Other Intangible Assets, and which was issued by the Financial Accounting Standards Board (FASB) on July 20, 2001.

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 Ending June 30 | |
| CONSOLIDATED STATEMENTS OF INCOME (In thousands of U.S. dollars, except share, per share and ADS amounts) - Unaudited | 2001 | 2000 |
| | | |
| Net sales | \$ 177,867 | \$ 141,416 |
| Cost of goods sold | 117,390 | 94,125 |
| Gross profit | 60,477 | 47,291 |
| % of net sales | 34.0% | 33.4% |
| | | |
| Operating expenses: | | |
| Marketing and selling | 33,570 | 26,449 |
| Research and development | 10,469 | 8,509 |
| General and administration | 8,277 | 8,265 |
| Total operating expenses | 52,316 | 43,223 |
| | | |
| Operating income | 8,161 | 4,068 |
| | | |
| Interest income (expense), net | (1,168) | 196 |
| Other income (expense), net | 896 | 1,967 |
| | | |
| Income before income taxes | 7,889 | 6,231 |
| Provision for income taxes | 1,570 | 1,246 |

| Net income | \$ 6,319 | \$ 4,985 |
|--|-----------|-----------|
| | | |
| Shares used to compute net income per share: | | |
| Basic | 4,453,174 | 4,153,071 |
| Diluted | 4,844,627 | 4,680,840 |
| Net income per share: | | |
| Basic | \$1.42 | \$1.20 |
| Diluted | \$1.30 | \$1.06 |
| Net income per ADS (10 ADS : 1 Share): | | |
| Basic | \$0.14 | \$0.12 |
| Diluted | \$0.13 | \$0.11 |

| LOGITECH INTERNATIONAL S.A. | | | |
|--|------------------|-------------------|------------------|
| | | | |
| CONSOLIDATED BALANCE SHEETS (In thousands of U.S. dollars) - Unaudited | June 30, 2001 | March 31, 2001 | June 30, 2000 |
| | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 70,023 | \$ 44,142 | \$ 44,369 |
| Accounts receivable | 120,137 | 144,781 | 107,151 |
| Inventories | 106,537 | 111,612 | 101,763 |
| Other current assets | 29,268 | 29,558 | 23,916 |
| Total current assets | 325,965 | 330,093 | 277,199 |
| Investments | 16,656 | 16,649 | 41,052 |
| Property, plant and equipment | 38,899 | 38,160 | 40,871 |
| Intangible assets | | | |
| Goodwill | 95,197 | 95,197 | 3,963 |
| Other intangible assets | 17,750 | 18,726 | 9,039 |
| Other assets | 8,834 | 6,291 | 887 |

| Total assets | \$ 503,301 | \$ 505,116 | \$ 373,011 |
|--|------------|------------|------------|
| | | | |
| Current liabilities | | | |
| Short-term debt | \$ 6,156 | \$ 62,986 | \$ 7,028 |
| Accounts payable | 79,319 | 91,267 | 95,283 |
| Accrued liabilites | 51,463 | 59,054 | 51,435 |
| Total current liabilities | 136,938 | 213,307 | 153,746 |
| Long term debt | 97,337 | 26,908 | 2,917 |
| Other liabilities | 6,560 | 8,847 | 510 |
| Total liabilities | 240,835 | 249,062 | 157,173 |
| | | | |
| Shareholders' equity | 262,466 | 256,054 | 215,838 |
| | | | |
| Total liabilities and shareholders' equity | \$ 503,301 | \$ 505,116 | \$ 373,011 |

| LOGITECH INTERNATIONAL S.A. | | |
|---|---------------------------|----------|
| | | |
| (In thousands of U.S. dollars) - Unaudited | | |
| SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION | | |
| | Quarter Ending June 30 | |
| Income statement-related | 2001 | 2000 |
| | | |
| Depreciation | \$ 6,232 | \$ 3,359 |
| Amoritzation of goodwill | - | 245 |
| Amortization of other acquisition-related intangibles | 945 | 763 |
| Operating income | 8,161 | 4,068 |
| Operating income before depreciation and amortization | 15,338 | 8,435 |

Balance sheet-related - new accounting standard

Adoption of the new Financial Accounting Standard 142 on April 1, 2001 resulted in reclassifying certain other acquisition-related intangibles to goodwill. The table below shows the reclassification.

| | June 30, 2001 | March 31, 2001 | June 30, 2000 |
|---|------------------|-------------------|------------------|
| | | | |
| Goodwill under former accounting standard | \$ 92,053 | \$ 92,053 | \$ 3,547 |
| Other intangible assets | 3,144 | 3,144 | 416 |
| Goodwill under FAS 142 | \$ 95,197 | \$ 95,197 | \$ 3,963 |

Income statement-related - new accounting standard

Adoption of the new Financial Accounting Standard 142 on April 1, 2001 resulted in not recognizing \$1.5 million of goodwill amortization expense in the first quarter that would have been required had the former standard been in effect. The impact of the new standard on first quarter operating income and net income is shown below. Periods before April 1, 2001 will not be restated.

| | Quarter Ending June 30 | | |
|------------------|------------------------|----------------------------|----------------------------|
| | 2001 As Reported | 2001 Former Standard | 2000 Former Standard |
| Operating Income | \$ 8,161 | \$ 6,685 | \$ 4,068 |
| Net Income | 6,319 | 5,137 | 4,985 |