



Logitech Posts Strongest Quarter Yet with 25% Growth in Sales, 34% Increase in Net Income

Ninth Consecutive Record Quarter for International Market Leader in Computer Interface Devices

Romanel-sur-Morges, Switzerland; Fremont, CA -- January 23, 2001 - Logitech International (Switzerland:LOGN, LOGZ) (NASDAQ:LOGIY) continued to deliver solid growth, bucking trends in the high-tech sector with consolidated sales of \$232 million and net income of \$19.9 million for the company's third fiscal quarter of FY01, which ended December 31, 2000. Earnings per share were \$4.24 (\$0.42 per ADS). This compares with sales of \$185.4 million and net income of \$14.9 million (\$3.43 per share -- \$0.34 per ADS) for the same period last year. Gross margin at 34.6% represents a sequential growth of 90 basis points; operating income of \$25.5 million showed a 25% year-over-year growth.

Retail sales, which now account for 80% of Logitech's business, increased by 31% over last year, reflecting both the Company's strong holiday performance and the attractiveness of its after-market product offerings targeted at the huge installed base of PCs. OEM sales grew by 5%, in spite of an overall slowdown in sales of new PCs.

"We are pleased with our continuing record-breaking results, which underscore the strength of our market position," said Guerrino De Luca, Logitech's president and chief executive officer. "We were on holiday shelves worldwide with new and enhanced products in all areas. Our cordless interface devices, PC video cameras, and PC game controllers have once again proven their attractiveness to existing PC users, and we believe they have provided consumers with a compelling, lower cost alternative to buying a new PC this Christmas. Of special note is the success of our optical mice, introduced in June and complemented in September with the addition of the iFeel™ line of optical mice, which offer tactile feedback for easier onscreen navigation. To date, we have sold well over a quarter-million iFeel units, and we continue to experience high demand for this innovative technology.

"At the end of the fiscal year, we will see a change in our executive management team. Greg Chambers, senior vice president of worldwide sales and marketing, will be leaving to pursue his avid interest -- building and managing a vineyard in the Sonoma area. Greg has played an important role in spearheading Logitech's strong growth in sales, as well as in strengthening our presence in the retail channels, taking the supply chain to a new level, and elevating the Logitech brand on the web. We are pleased to announce that Marcel Stolk, vice president and general manager of the European Region, will be assuming Greg's responsibilities. Over the past four years, Marcel has built a world-class sales organization and significantly expanded Logitech's European presence.

"As we enter the final quarter of our Fiscal Year 2001, we remain optimistic about sustaining growth, and we estimate that we will reach the high end of our original full-year revenue and operating income growth guidance of 20 to 25% and 30 to 35% respectively."

Investors are invited to listen to a discussion of the Logitech third-quarter earnings via a live Webcast, scheduled for 12:00 P.M. EST/9:00 A.M. PST/6:00 P.M. CET today at <http://www.logitech.com>. A replay of the the webcast will also be made available for 14 days on the Company's Web site.

About Logitech

Founded in 1981, Logitech designs, manufactures and markets human interface devices and supporting software that link people to the Internet and enable them to work, play, learn and communicate more effectively in the digital world. Logitech's interface products include Internet video cameras; input and pointing devices such as corded and cordless mice, optical trackballs and keyboards; multimedia speakers; and interactive gaming products such as joysticks, gamepads and racing systems.

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 with respect to future results, including statements regarding sustaining growth and estimated revenue and operating income for FY 2001. 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 July 17, 2000, and Form 6-K dated November 14, 2000, available from the SEC's Edgar database and upon request from Logitech by calling (510) 713-4220.

The revenue and operating income targets discussed in the press release constitute Logitech's goals as of the date of the release and are based on current conditions. Logitech undertakes no obligation to update these targets in any way or for any reason.

| LOGITECH INTERNATIONAL S.A. | | |
|--|---------------------------------------|---------------|
| | | |
| | Quarter Ending December 31 | |
| CONSOLIDATED STATEMENTS OF INCOME (In thousands of U.S. dollars) - Unaudited | 2000 | 1999 |
| | | |
| Net sales | \$ 231,982 | \$ 185,425 |
| Cost of goods sold | 151,673 | 118,147 |
| Gross profit | 80,309 | 67,278 |
| % of net sales | 34.6% | 36.3% |
| | | |
| Operating expenses: | | |
| Marketing and selling | 36,907 | 31,264 |
| Research and development | 9,456 | 7,627 |
| General and administration | 8,412 | 7,913 |
| Total operating expenses | 54,775 | 46,804 |
| | | |
| Operating income | 25,534 | 20,474 |
| | | |
| Interest income (expense), net | (396) | (61) |
| Other income (expense), net | (263) | (1,805) |
| | | |

| | | |
|---|------------------|------------------|
| Income before income taxes | 24,875 | 18,608 |
| Provision for income taxes | 4,975 | 3,722 |
| | | |
| Net income | \$ 19,900 | \$ 14,886 |
| | | |
| Shares used to compute net income per share: | | |
| Basic | 4,242,544 | 3,983,060 |
| Diluted | 4,698,403 | 4,340,528 |
| Net income per share: | | |
| Basic | \$4.69 | \$3.74 |
| Diluted | \$4.24 | \$3.43 |
| Net income per ADS (10 ADS : 1 Share): | | |
| Basic | \$0.47 | \$0.37 |
| Diluted | \$0.42 | \$0.34 |

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| LOGITECH INTERNATIONAL S.A. | | |
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| | Nine Months Ending December 31 | |
| CONSOLIDATED STATEMENTS OF INCOME (In thousands of U.S. dollars) - Unaudited | 2000 | 1999 |
| | | |
| Net sales | \$ 563,963 | \$ 439,739 |
| Cost of goods sold | 372,183 | 293,250 |
| Gross profit | 191,780 | 146,489 |
| % of net sales | 34.0% | 33.3% |
| | | |
| Operating expenses: | | |
| Marketing and selling | 98,172 | 74,391 |
| Research and development | 26,760 | 22,852 |

| | | |
|---|------------------|------------------|
| General and administration | 25,274 | 21,929 |
| Total operating expenses | 150,206 | 119,172 |
| | | |
| Operating income | 41,574 | 27,317 |
| | | |
| Interest income (expense), net | (359) | (403) |
| Other income (expense), net | 1,602 | (1,092) |
| | | |
| Income before income taxes | 42,817 | 25,822 |
| Provision for income taxes | 8,563 | 5,164 |
| | | |
| Net income | \$ 34,254 | \$ 20,658 |
| | | |
| Shares used to compute net income per share: | | |
| Basic | 4,201,603 | 3,937,172 |
| Diluted | 4,697,340 | 4,162,670 |
| Net income per share: | | |
| Basic | \$8.15 | \$5.25 |
| Diluted | \$7.29 | \$4.96 |
| Net income per ADS (10 ADS : 1 Share): | | |
| Basic | \$0.82 | \$0.53 |
| Diluted | \$0.73 | \$0.50 |

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|---|----------------------------------|-----------------------------------|----------------------------------|
| LOGITECH INTERNATIONAL S.A. | | | |
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| CONSOLIDATED BALANCE SHEETS (In thousands of U.S. dollars) - Unaudited | December 31, 2000 | September 30, 2000 | December 31, 1999 |
| | | | |
| Current assets | | | |

| | | | |
|---|-------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 15,266 | \$ 22,200 | \$ 29,703 |
| Accounts receivable | 179,129 | 145,852 | 137,170 |
| Inventories | 121,256 | 128,463 | 71,235 |
| Other current assets | 28,707 | 24,726 | 20,320 |
| Total current assets | 344,358 | 321,241 | 257,798 |
| Investments | 19,661 | 28,792 | 13,124 |
| Property, plant and equipment | 39,453 | 42,916 | 42,309 |
| Intangible assets | 11,593 | 12,127 | 15,100 |
| Other assets | 990 | 874 | 903 |
| Total assets | \$ 416,055 | \$ 405,950 | \$ 329,234 |
| | | | |
| Current liabilities | | | |
| Short-term debt | \$ 6,707 | \$ 18,126 | \$ 7,200 |
| Accounts payable | 117,944 | 123,059 | 101,421 |
| Accrued liabilities | 67,224 | 54,381 | 49,701 |
| Total current liabilities | 191,875 | 195,566 | 158,322 |
| Long term debt | 3,068 | 3,220 | 3,141 |
| Other liabilities | 524 | 518 | 743 |
| Total liabilities | 195,467 | 199,304 | 162,206 |
| | | | |
| Shareholders' equity | 220,588 | 206,646 | 167,028 |
| | | | |
| Total liabilities and shareholders' equity | \$ 416,055 | \$ 405,950 | \$ 329,234 |