



Logitech Reports Record First-Quarter Sales

Expanding Product Line, Strong Retail Performance Continue to Fuel Solid Growth First Quarter Fiscal 2000 Highlights

- **Consolidated sales of \$114.4 million for the first quarter of fiscal 2000 ending June 30, 1999, increased 63 percent over sales of \$70.1 million compared with the same period last year.**
- **Operating income of \$1.02 million showed a significant improvement over the prior year's operating income of \$324,000.**
- **Substantial increase in number of new offerings and new technologies in all categories including sub-\$50 Internet video camera, second-generation multimedia speaker family, new gaming devices featuring force feedback and motion sensing.**
- **More than double the number of radio-based cordless product offerings.**
- **New products scheduled to reach retail shelves in time for the holiday selling season.**

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Fremont, Calif./Romanel-sur-Morges, Switzerland -- July 27, 1999 -- Logitech (NASDAQ:LOGIY; Switzerland:LOGN, LOGZ), international market leader in human interface devices that define the way people link to information in business, at home and online, today announced consolidated sales of \$114.4 million for the first quarter of fiscal 2000 ending June 30, 1999. This represents a 63 percent increase over sales of \$70.1 million in the same quarter last year. Net income of \$625,000, or \$0.31 per share (\$0.03 per ADS) was up 15 percent from the prior year's net income of \$511,000, or \$0.26 per share (\$0.03 per ADS) for the first quarter 1999. Operating income of \$1.02 million, a 215 percent improvement over the prior year's operating income of \$324,000, underscored the company's ability to control operating expenses while funding growth.

"We are pleased with the results for the first quarter, and we're on track for our traditionally high selling season, with all new products scheduled to reach retail shelves in time for the holidays," said Guerrino De Luca, president and chief executive officer. "We have announced a significant number of new offerings and new technologies in all categories, including an Internet video camera that will sell for under \$50 in the U.S., a second-generation multimedia speaker family and new gaming devices featuring advanced force feedback and motion sensing. In addition, we have increased our commitment to radio-based cordless technology on the desktop, more than doubling our cordless offerings with the addition of a high-end wheel mouse and three cordless keyboards."

Retail sales grew by 72 percent year over year, while OEM sales showed a growth of 49 percent over the same period last year. Gross margin of 25.6 percent reflected ongoing pressure in the OEM sector and aggressive market

share and product transition initiatives in retail. Continued cost reduction as well as newly introduced products are expected to result in improved gross margins over the upcoming quarters."

Mr. De Luca explained, "In light of our recently announced new products and marketing alliances, we are poised to solidify our position as the leading provider of every interface device on the desktop that serves to link the user with the digital world. What's more, we are aggressively pursuing important aspects of today's desktop - increased comfort and productivity through cordlessness and industrial design, as well as seamless Internet access and navigation through supporting software that will bundle with a number of our upcoming products.

"In summary, we are exactly where we want to be as we enter our strong season with a completely revamped product portfolio and a solid market position that includes category leadership in several areas - retail keyboards, tethered Internet video cameras, trackballs, and both retail and OEM mice."

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 entertainment 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.

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This press release contains forward-looking statements which involve risks and uncertainties. The Company's actual performance could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" in the Annual Report on Form 20-F dated June 30, 1999, available upon request from Logitech by calling (510) 713-4220.

For more information about Logitech and its products, visit the company's Web Site at www.logitech.com.

