LOGITECH ANNUAL REPORT 2002

TO OUR Shareholders, Partners and Employees

BARCELONA

BEIJING

BUDAPEST

COPENHAGEN

COUNTY CORK

FREMONT

Although the past year has been challenging for the PC industry and for the global economy in general, Logitech has emerged stronger than ever. On March 31, 2002, we completed another record fiscal year. Sales of $944 million grew by 28 percent over fiscal 2001, while net income of $75 million was 66 percent higher. Operating margin of 10.3 percent was 287 basis points greater than the prior year, while net margin of 7.9 percent was 182 basis points greater. Cash flow from operations was $113 million, an increase of over $100 million compared to the prior year.

Our retail presence continues to flourish, accounting for approximately 84 percent of our revenue, as consumers upgrade and expand their existing systems to take advantage of new technologies such as cordless connectivity and new applications such as video instant messaging. As a result, Logitech sold more than eight million cordless products and four million webcams last year alone. Our OEM business has been able to partially compensate for the ongoing slump in the PC market, realizing new opportunities for bundling higher value-added products at the system level, for example, cordless, audio and optical devices.

We remain committed to our strategy for growth and expansion, adding new platforms and environments to our product portfolio while continuing to enrich the PC experience. We brought to the desktop a number of award-winning products, including Cordless Desktop® Optical, with its unique combination of cordless optical technology, Internet navigation and great design, as well as the Z-Series of PC speakers. These high-performance speakers, which have already received numerous industry awards in the U.S. and an enthusiastic initial reception at their recent European launch, underscore the growth potential represented by our audio business.

In fiscal 2001, we kept our promise to move beyond the desktop and "into the living room," with products designed for gaming consoles, launching a force feedback steering wheel for PlayStation®2. This year, we solidified our position in this market, with support from more than 20 publishers and 50 games for our most current PlayStation®2 racing wheel. Recently, we announced a second PlayStation®2 product, the Logitech® Cordless Controller.

We have now extended our product line into another environment—mobile computing. In March, we announced our first Bluetooth™ product, the Logitech® Cordless Presenter,™ an innovative device that combines the functions of a cordless optical mouse and presentation controller, targeted at mobile professionals. We also announced two PDA keyboards. The Logitech® TypeAway™ Keyboard offers full functionality at half the size and half the weight of today's most popular folding model. The Logitech® KeyCase™ raises the bar even higher, featuring special electronic sensing fabric that serves as both a folding keyboard and wraparound case.

In the area of operations and infrastructure, we have successfully integrated the Labtec business into our ongoing processes and have expanded the Labtec brand to encompass additional product categories. To meet demand for more products than ever—over 90 million produced and sold this year—we have added outsourced manufacturing in Europe and Mexico, closer to our major consumer markets. This strategy has enabled us to respond quickly to fluctuating market conditions while controlling cost and quality.

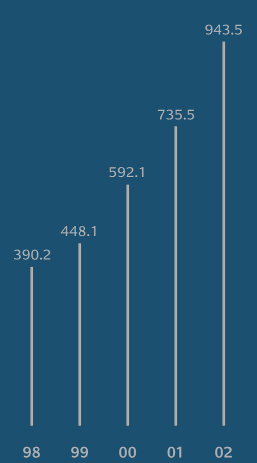
At the end of the day, what enables us to successfully execute on our strategy, grow our company and meet the challenges of today's economic and societal climate, is the creativity and dedication of our employees, the enthusiasm and trust of our customers and the support of our industry partners and shareholders. To all of you we owe our sincere thanks.

DANIEL BOREL
Chairman of the Board

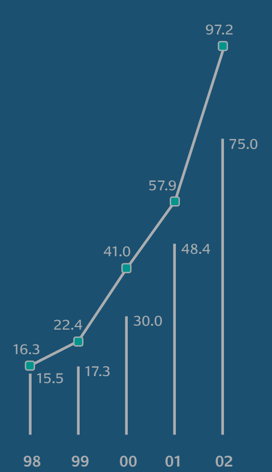
GUERRINO DE LUCA
President and Chief Executive Officer

LOGITECH FINANCIALS

TOTAL REVENUE
(in millions of dollars)

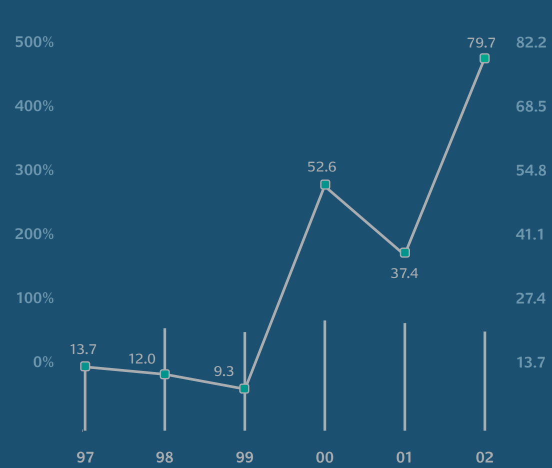


OPERATING INCOME*
NET INCOME* (in millions of dollars)



*Before other charges in 1999 and 2001

LOGITECH SHARE PRICE (percentage increase and in Swiss francs)
SPI (SWISS PERFORMANCE INDEX) (percentage increase)



LOGITECH OFFICERS

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Chairman of the Board

Guerrino De Luca
President and
Chief Executive Officer,
Director

Erh-Hsun Chang
Senior Vice President, Operations
General Manager, Far East

Wolfgang Hausen
President and
Chief Executive Officer,
3Dconnexion

David Henry
Senior Vice President,
Control Devices

Junien Labrousse
Senior Vice President, Video

Kristen Onken
Senior Vice President, Finance
and Chief Financial Officer

Marcel Stolk
Senior Vice President,
Worldwide Sales and Marketing

Robert Wick
Senior Vice President, Audio

Patrick Brubeck
Vice President, Quality

Collette Bunton
Vice President,
Regional Sales and Marketing,
Americas

Aldo Bussien
Vice President, Engineering,
Control Devices

Steve Daverio
Vice President,
Regional Sales and Marketing,
Europe, Middle East and Africa

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Vice President,
Business Development

Ted Hoff
Vice President,
Interactive Entertainment

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Worldwide OEM Sales

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Vice President,
Worldwide Human Resources

Yudhi Patel
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Worldwide Manufacturing
Outsourcing

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Worldwide Supply Chain

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Worldwide IT
and Chief Information Officer

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Worldwide Marketing

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General Manager,
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Regional Sales and Marketing,
Asia Pacific

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Vice President,
Legal and General Counsel,
Secretary of the Board

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Director

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Deputy President,
Natsteel Ltd.

Ronald Croen
President and Chief Executive Officer,
Nuance Communications Inc.

Pier Carlo Falotti
Former Executive, Oracle, AT&T,
ASK and Digital Equipment
(retiring from the Board of Directors
in June 2002)

Jean-Louis Gassée
President and Chief Executive Officer,
Computer Access Technology Corporation
(retiring from the Board of Directors
in June 2002)

Frank Gill
Former Executive Vice President,
Intel

Michael Moone
President and Chief Executive Officer,
Alloptic Inc.
(to be presented to the shareholders at
the Annual General Meeting in June 2002)

Peter Pfluger
Former Chief Executive Officer,
Phonak Hearing Systems and CSEM

A NOS Actionnaires, nos Partenaires et nos Collaborateurs

Bien que le secteur des PC et l'économie mondiale en général aient été confrontés à de nombreux défis, Logitech sort de l'exercice 2002 plus forte que jamais. Au 31 mars 2002, nous avons en effet bouclé un nouvel exercice record: notre chiffre d'affaires a atteint USD 944 millions (croissance de 28% par rapport au dernier exercice) et notre bénéfice net USD 75 millions (croissance de 66%); la marge opérationnelle a été de 10,3% (287 points de base de plus que l'exercice précédent) et la marge nette de 7,9% (182 points de base de plus); quant au flux de trésorerie résultant des activités d'exploitation, il s'est monté à USD 113 millions, soit une augmentation de USD 100 millions par rapport à l'exercice précédent.

Le marché de détail a poursuivi sa progression et représente quelque 84% de notre chiffre d'affaires. Cette évolution est due au fait que de nombreux consommateurs complètent et mettent à niveau leurs installations, afin de bénéficier des nouvelles technologies telles que les connexions sans fil et les nouvelles applications, notamment la messagerie vidéo instantanée. Cet engouement s'est traduit pour Logitech par la vente de plus de 8 millions de produits sans fil et de 4 millions de webcams lors du seul exercice 2002. L'activité OEM, quant à elle, a partiellement compensé le déclin continu du marché des PC, exploitant les nouvelles opportunités fournies par des produits à forte plus-value au niveau des systèmes, tels les périphériques sans fil, audio ou optiques.

GERMERING

HSINCHU

Nous restons fidèles à notre stratégie de croissance et d'expansion, ajoutant de nouvelles plates-formes et de nouveaux environnements à notre gamme de produits, tout en continuant à enrichir la palette d'utilisations de l'ordinateur personnel. Nous avons en effet apporté au domaine du PC toute une série de produits primés, au nombre desquels nous pouvons citer le Cordless Desktop® Optical, qui allie technologie optique sans fil, navigation Internet et design attirant, ainsi que les haut-parleurs pour PC Z-Series. Ces haut-parleurs très performants, qui ont déjà été récompensés à maintes reprises aux Etats-Unis et qui ont reçu un accueil enthousiaste lors de leur récent lancement en Europe, symbolisent le potentiel de croissance qui existe pour notre secteur audio.

MILAN

Durant l'exercice 2001, nous avions tenu notre promesse d'aller au-delà du poste de travail et d'être présents “dans le salon” de l'utilisateur en lui proposant un produit destiné aux consoles de jeux: le volant à retour de force pour PlayStation®2. Grâce à l'appui de plus de 20 éditeurs et au lancement de 50 jeux pour ce volant, nous avons consolidé notre position sur ce marché. Nous venons en outre d'annoncer un second produit pour la PlayStation®2, le Logitech® Cordless Controller.

NIJMEGEN

Par ailleurs, nous avons ouvert notre gamme de produits à un nouvel environnement: l'informatique mobile. En mars 2002, nous avons lancé notre premier produit Bluetooth,™ le Logitech® Cordless Presenter,™ appareil novateur qui combine les fonctions d'une souris optique sans fil et d'un outil de présentation, destiné en priorité aux professionnels amenés à se déplacer fréquemment. Nous avons également annoncé deux claviers pour PDA: le Logitech® TypeAway™ Keyboard offre toutes les fonctionnalités avec une taille et un poids deux fois inférieurs aux modèles pliables actuels les plus connus; le Logitech® KeyCase™ place quant à lui la barre encore plus haut puisqu'il est fait d'un tissu sensoriel spécial servant à la fois de clavier pliable et d'étui.

PARIS

Nous avons réussi à intégrer Labtec dans nos activités, tout en renforçant cette marque grâce à l'intégration de nouvelles catégories de produits. Au niveau opérationnel, et afin de répondre à une demande plus forte que jamais—plus de 90 millions de produits ont été fabriqués et vendus dans le courant de l'exercice sous revue—nous avons ouvert deux sites de fabrication en sous-traitance en Europe et au Mexique, à proximité de nos principaux débouchés; cette stratégie nous a permis de nous adapter rapidement aux fluctuations du marché tout en maîtrisant les coûts et en garantissant le niveau de qualité.

ROMANEL

Si notre stratégie est couronnée de succès, si notre société continue à se développer, si nous sommes en mesure de relever les défis posés par la conjoncture actuelle, nous le devons à la créativité et au dévouement de nos collaborateurs, à l'enthousiasme et à la fidélité de nos clients, au soutien de nos partenaires et de nos actionnaires. A vous tous, nous adressons nos remerciements les plus chaleureux.

SHANGHAI

AN UNSERE Aktionäre, Partner und Mitarbeiter

SUZHOU CITY

SYDNEY

Obwohl das vergangene Jahr für die PC-Branche im Speziellen, aber auch für die globale Wirtschaft im Allgemeinen mit Schwierigkeiten verbunden war, hat Logitech seine Position nicht nur behalten, sondern sogar festigen können wie nie zuvor. Per 31. März 2002 konnte das Unternehmen ein weiteres Rekordjahr verzeichnen. Während des Geschäftsjahres 2002 erwirtschafteten wir einen Umsatz von 944 Mio. USD, eine Steigerung von 28%, und konnten einen Reingewinn von 75 Mio. USD respektive ein Wachstum von 66% erzielen. Die Marge aus operativer Tätigkeit betrug 10.3% und war damit 287 Basispunkte höher als im Vorjahr, während die Nettomarge von 7.9% um 182 Basispunkte gestiegen war. Der Cash Flow der Geschäftstätigkeit betrug 113 Mio. USD, eine Steigerung um über 100 Mio. USD im Vergleich zum Vorjahr.

TAIPEI

Unsere Präsenz im Einzelhandel konnten wir weiter ausbauen. Das Geschäft macht rund 84% unseres Umsatzes aus, denn unsere Kunden rüsten ihre Systeme kontinuierlich auf und bauen sie aus, um mit den neuesten Technologien Schritt zu halten, wie zum Beispiel mit kabellosen Verbindungsmöglichkeiten und neuen Anwendungen wie Video Instant Messaging. Als Folge hat Logitech im vergangenen Geschäftsjahr über acht Millionen kabellose Produkte und vier Millionen Internet-Videokameras verkauft. Unser OEM-Geschäft konnte den andauernden Rückgang im PC-Markt teilweise auffangen, indem auf Systemebene verstärkt Produkte mit einem höheren Zusatznutzen, wie beispielsweise kabellose, Audio- und optische Produkte, gebündelt werden konnten.

TOKYO

Unserer Strategie des Wachstums und des Ausbaus sind wir weiterhin treu geblieben, indem wir unserer Produktpalette auf zusätzliche Plattformen und Einsatzgebiete ausgedehnt haben. Dabei haben wir jedoch keineswegs versäumt auch unsere PC-Anwendungen laufend zu erweitern. So brachten wir eine Reihe von preisgekrönten neuen Produkten auf den Markt, wie das Cordless Desktop® Optical, eine einzigartige Kombination aus kabelloser optischer Technologie, Internet Navigation und einem bestechenden Design, sowie die PC-Lautsprecherserie Z. Diese extrem leistungsfähigen Lautsprecher wurden in den USA bereits mehrfach ausgezeichnet und werden seit kurzem auch in Europa begeistert aufgenommen. Dies bestätigt unser Wachstumspotenzial in der Audio-Branche.

TORONTO

Im Geschäftsjahr 2001 hielten wir unser Versprechen, mit Spielkonsole-Produkten über den Desktop hinaus "ins Wohnzimmer" zu gelangen, und zwar mit einem, Force Feedback-Lenkrad für PlayStation®2. Mit der Unterstützung von über 20 Spieleanbietern und 50 Spielen für unser aktuelles PlayStation®2-Rennlenkrad werden wir dieses Jahr unsere Marktstellung weiter festigen. Vor kurzem kündigten wir ein zweites PlayStation®2-Produkt an, den Logitech® Cordless Controller.

VANCOUVER

Wir haben unsere Produktlinie nun um ein zusätzliches Feld erweitert—Mobile Computing. Im März brachten wir unser erstes Bluetooth-Produkt heraus, den Logitech® Cordless Presenter.™ Hierbei handelt es sich um ein innovatives Gerät, das die Funktionen einer kabellosen optischen Maus und eines Steuergerätes für Präsentationen vereinigt und für mobile Geschäftsleute geschaffen wurde. Weiterhin kündigten wir zwei PDA-Tastaturen an. Das Logitech® TypeAway™ Keyboard bietet volle Funktionalität bei halber Grösse und halbem Gewicht im Vergleich zu der heute am meisten verbreitesten Handheld-Tastatur. Das Logitech® KeyCase™ setzt die Messlatte sogar noch höher. Es besteht aus speziellem, teilweise elektronisch leitfähigem Gewebe, und kann daher sowohl als faltbare Stofftastatur als auch als Schutzhülle für den PDA verwendet werden.

VIENNA

WARSAW

Im Bereich Unternehmen und Infrastruktur haben wir die Labtec-Prozesse erfolgreich in unsere bestehenden Prozesse integriert und die Marke Labtec weiter ausgebaut, um zusätzliche Produktkategorien abdecken zu können. Um der stetig wachsenden Nachfrage nach immer mehr Produkten gerecht zu werden—in diesem Jahr wurden mehr als 90 Millionen produziert und verkauft—haben wir Geschäftstätigkeiten auf Herstellungsstätten in Europa und Mexiko ausgelagert, die geographisch näher an unseren Hauptabsatzmärkten liegen. Diese Strategie erlaubte es uns somit auch, schneller auf sich ändernde Marktgegebenheiten reagieren zu können und dabei die Kosten und die Qualität unter Kontrolle zu behalten.

Letztendlich sind es die Kreativität und die Hingabe unserer Mitarbeiter, die Begeisterung und das Vertrauen unserer Kunden sowie die Unterstützung unserer Geschäftspartner und Aktionäre, die es uns ermöglichen, unsere Strategie erfolgreich durchzuführen, unser Unternehmen kontinuierlich auszubauen und die heutigen wirtschaftlichen und gesellschaftlichen Herausforderungen zu bestehen. Ihnen allen gebührt unser aufrichtiger Dank.

Visit www.logitech.com for a complete list of Logitech locations

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CH-1143 Apples
Switzerland

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Logitech Inc.
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Fremont, CA 94555
United States

Asia Pacific Headquarters
Logitech Hong Kong Ltd.
Far East Finance Centre
16 Harcourt Road
Hong Kong, SAR

Europe Headquarters
Logitech Europe S.A.
Moulin du Choc D
CH-1122 Romanel-sur-Morges
Switzerland

Worldwide Operational Headquarters
Logitech Far East Ltd.
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Science-Based Industrial Park
Hsinchu, Taiwan, R.O.C.

Japan Headquarters
Logicool Co. Ltd.
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Chuo-ku, Tokyo, Japan 104-0061

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Standard Plant
Suzhou City, P.R. China 215011

Part # 743666-0100.A

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This annual report to shareholders contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these statements as a result of certain factors, including those set forth in our Annual Report on Form 20-F and our other filings with the U.S. Securities and Exchange Commission.

Overview

Logitech International S.A. designs, manufactures and markets personal interface products and supporting software that serve as the primary physical interface between people and their personal computers and other digital platforms. The Company's products include corded and cordless mice, trackballs, and keyboards; joysticks, gamepads, and racing systems; internet video cameras; PC speakers, headsets and microphones; and 3D controllers.

The Company sells its products through two primary channels, original equipment manufacturers ("OEMs") and a network of retail distributors and resellers ("retail"). Products sold to OEMs, principally pointing devices, are generally resold to end users bundled with new PCs. Sales to OEMs as a percentage of total net sales can vary significantly and have ranged from 13% to 36% on a quarterly basis over the past three fiscal years.

Logitech was founded in Switzerland in 1981, and in 1988 listed its shares in an initial public offering in Switzerland. In 1997, the Company sold shares in a U.S. initial public offering in the form of American Depository Shares ("ADS"), and listed the ADSs on the Nasdaq National Market System. The Company's operational headquarters are in Fremont, California through its U.S. subsidiary, with regional headquarters in Romanel, Switzerland and Hsinchu, Taiwan through local subsidiaries. In addition, Logitech has its principal manufacturing operations in China, with distribution facilities in the United States, Europe and Asia.

Results of Operations

The following table sets forth certain consolidated financial statement amounts in thousands and as a percentage of net sales for the periods indicated:

	Year ended March 31,					
	2002		2001		2000	
Net sales	$ 943,546	100.0%	$ 735,549	100.0%	$ 592,096	100.0%
Cost of goods sold	627,998	66.6	502,290	68.3	408,969	69.1
Gross profit	315,548	33.4	233,259	31.7	183,127	30.9
Operating expenses:						
Marketing and selling	130,060	13.8	105,140	14.3	79,389	13.4
Research and development	50,531	5.3	36,686	5.0	31,666	5.3
General and administrative	37,739	4.0	33,484	4.6	31,102	5.3
Purchased in-process research and development	-	-	3,275	0.4	-	-
Total operating expenses	218,330	23.1	178,585	24.3	142,157	24.0
Operating income	97,218	10.3	54,674	7.4	40,970	6.9
Interest expense, net	(1,956)	(0.2)	(148)	-	(163)	-
Other income (expense), net	(1,567)	(0.2)	2,628	0.3	(3,252)	(0.6)
Income before income taxes	93,695	9.9	57,154	7.7	37,555	6.3
Provision for income taxes	18,739	2.0	12,086	1.6	7,511	1.2
Net income	$ 74,956	7.9%	$ 45,068	6.1%	$ 30,044	5.1%

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America ("U.S. GAAP") and in compliance with relevant Swiss law, requires us to utilize accounting policies and make estimates and assumptions that affect our reported amounts of assets, liabilities, revenue and expenses. We believe the following accounting policies and estimates are the most critical to our business operations and to understanding our results of operations. They should be read in conjunction with our consolidated financial statements.

Revenue Recognition

Revenues are recognized upon transfer of title and risk of loss, which is generally when products are shipped. Revenues from sales to distributors and authorized resellers are subject to terms allowing certain rights of return, price protection and allowances for customer marketing programs. Accordingly, allowances for estimated future returns, price protection and customer marketing programs are recorded upon revenue recognition. Upon shipment of the product, we record an estimate of potential future product returns related to current period product revenue. Management analyzes historical returns, current economic trends and changes in customer demand and acceptance of our products when evaluating the adequacy of the sales returns allowances. We also record reductions to revenue for the estimated cost of customer programs and incentive offerings including special pricing agreements, price protection, promotions and other volume-based incentives. Significant management judgments and estimates must be used in connection with establishing these allowances in any accounting period. If market conditions were to deteriorate, the Company may take actions to increase customer incentive offerings possibly resulting in an incremental reduction of revenue at the time the incentive is offered.

Accounts Receivable

We also estimate the uncollectability of our accounts receivable, and we maintain allowances for estimated losses. Management analyzes accounts receivable, historical bad debts, receivable aging, customer credit-worthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Inventory Reserves

We evaluate our inventory for estimated excess and obsolete amounts as well as declines in marketability based upon technology trends, our plans for the product and assumptions about future demand and market conditions. If in the future there is a sudden and significant decrease in demand for our products or there is a higher risk of excess inventory or obsolescence because of rapidly changing technology and customer requirements, we may be required to increase our inventory allowances and our gross margin could be adversely affected.

Accounting for income taxes

We operate in multiple jurisdictions and our profits are taxed pursuant to the tax laws of these jurisdictions. Our effective tax rate may be affected by the changes in or interpretations of tax laws in any given jurisdiction, utilization of net operating losses and tax credit carryforwards, changes in geographical mix of income and expense, and changes in management's assessment of matters such as the ability to realize deferred tax assets. As a result of these considerations, we must estimate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income, and establish a valuation allowance for any amounts we believe will not be recoverable. Establishing or increasing a valuation allowance increases our income tax expense.

Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We have recorded a valuation allowance at March 31, 2002, due to uncertainties related to our ability to utilize some of our deferred tax assets before they expire. The valuation allowance is based on our estimates of taxable income by jurisdiction in which we operate and the period over which our deferred tax assets will be recoverable. In the event that actual results differ from these estimates or we adjust these estimates in future periods we may need to establish an additional valuation allowance which could materially impact our financial position and results of operations.

Valuation of Long-Lived and Intangible Assets and Goodwill

We review for impairment of long-lived assets, such as investments, property and equipment, and goodwill and other intangible assets, whenever events indicate that the carrying amount might not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- significant negative industry or economic trends;
- significant decline in our stock price for a sustained period; and
- our market capitalization relative to net book value.

When Logitech determines that the carrying value of intangibles and long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, we measure any impairment based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model.

During the first quarter of fiscal 2002, Logitech adopted Statement of Financial Accounting Standard ("SFAS") No. 142, "Goodwill and Other Intangible Assets" and as a result, we ceased amortizing goodwill. We had recorded $1 million and $.9 million of amortization during 2001 and 2000, and would have recorded $6 million of amortization during 2002 under the old standard. SFAS No. 142 also requires the Company to perform an annual impairment review of goodwill. Logitech completed this impairment test using the enterprise value method in fiscal 2002 and determined that goodwill and other intangible assets are not impaired.

Recent Developments

Channel Marketing Costs

Effective January 1, 2002, the Company adopted Emerging Issues Task Force ("EITF") Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products", which was issued by the EITF in November 2001. This required the reclassification of certain channel marketing expenses from marketing and selling expenses to a deduction from sales. The reclassifications decreased net sales and marketing and selling expenses by the same amount. The reclassifications did not impact operating income, net income or earnings per share. All prior periods have been reclassified to reflect the adoption of the EITF provisions.

Events Subsequent to Year End

On April 5, 2002, the Company acquired the remaining interest in 3Dconnexion, the provider of Logitech's 3D controllers, for $7.5 million, payable in July 2003 using Logitech shares. 3Dconnexion's assets and liabilities have been included in the Company's consolidated financial statements since acquiring a controlling interest at September 30, 2001, and its results of operations have been included since October 1, 2001. The impact of 3Dconnexion's assets, liabilities and results of operations was not material to the Company's sales, results of operations, financial position or earnings per share in fiscal 2002.

On May 3, 2002, the Company acquired the remaining 64.8% of Spotlife Inc. it did not already own, for approximately $2.5 million in cash. Spotlife's business was to enhance video communications using the internet infrastructure. This acquisition will be accounted for using the purchase method of accounting. The impact of Spotlife's assets and liabilities will not be material to the Company's financial position.

Year Ended March 31, 2002 Compared to Year Ended March 31, 2001

Net Sales

Net sales for the year ended March 31, 2002 increased $208 million or 28% to $944 million. The growth was shared across all product categories, but primarily came from the Company's pointing device products, the audio products associated with the acquisition of Labtec and from the Company's desktop products (a keyboard and mouse sold together). The Euro's loss in value compared to the U.S. dollar restrained sales growth for the year. With approximately 52% of the Company's sales denominated in currencies other than the U.S. dollar, the Company estimates that the impact on net sales of the weakening Euro along with the impact of exchange rate changes in the Japanese Yen and Taiwanese Dollar relative to the U.S. dollar, was approximately $24 million.

Net sales reflect the impact of the Labtec acquisition beginning in fiscal 2002. If the Company had acquired Labtec at the beginning of fiscal 2001 and Labtec sales were included in the results for fiscal year 2001, the sales growth would have been $121 million or 15% for the year ended March 31, 2002.

Retail sales grew by 42% over last year. This growth was shared across all product categories. Retail sales of the Company's pointing devices, which include mice and trackballs, grew by 22% while unit volumes grew by 24%. Driven by the Company's new cordless optical wheel mouse, cordless mice were a significant source of this strong growth, with 103% growth in sales and 73% growth in unit volumes. Even with this growth, mice represent 37% of the Company's total retail sales compared to 38% last year, reflecting the Company's expanded retail product offerings. Sales of desktop products grew by 45% and unit volumes grew by 64%, with the majority of the growth coming from cordless desktop products. In the PC video camera business, retail sales grew 17% and unit volumes increased by 26% over last year. This growth was driven primarily by our strong performance across all video products. Sales of interactive entertainment products grew by 25% while unit volumes declined by 7%. This unit volume decrease reflects volume decreases in sales of joysticks and gamepads which were offset by the strong sales of the higher value GT Force Steering Wheel for PlayStation® 2. The Company's newly acquired audio products, including a full range of PC headsets, speakers and headphones, added eleven percentage points of absolute growth to retail sales during the year.

OEM sales declined by 15% compared to last year, principally due to the significant sales of PC video cameras in fiscal 2001 coupled with sluggish sales of new PCs in this fiscal year.

Gross Profit

Gross profit consists of net sales, less cost of goods sold which consists of materials, direct labor and related overhead costs, costs of manufacturing facilities, costs of purchasing finished products from outside suppliers, distribution costs and inventory write-offs. Gross profit increased 35% to $316 million, due primarily to significantly higher sales volume.

Gross margin (gross profit as a percentage of net sales) increased from 31.7% to 33.4%. This improvement reflects a shift toward higher margin retail products in the sales mix and improved product margins in several retail categories. In particular, retail product margins for pointing devices, video and entertainment products improved primarily due to manufacturing cost reductions. OEM product margins also increased due to both continued cost reductions and a sales mix of higher margin products.

Operating Expenses

Marketing and Selling

Marketing and selling expenses consist of personnel and related overhead costs, corporate and product marketing, promotions, advertising, trade shows, customer and technical support and facilities costs. Marketing and selling expense increased 24% to $130 million. This increase was directly related to the Company's increased sales performance and marketing initiatives aimed at strengthening the Company's retail presence. The Company has increased marketing costs in new product areas, particularly internet video cameras and audio products. With the acquisition of Labtec, the Company has incurred product marketing, product and packaging design and advertising costs relating to the audio products. As a percentage of sales, marketing and selling costs slightly decreased from 14.3% to 13.8%.

Research and Development

Research and development expenses consist of personnel and related overhead costs, contractors and outside consultants, supplies and materials, equipment depreciation and facilities costs, all associated with the design and development of new products, the enhancements of existing products and the performance of quality assurance activities. Research and development expenses increased 38% to $51 million. The increase was related to new product development, cost reduction efforts on existing products and increased costs associated with intellectual property used in our products. As a percentage of sales, research and development increased from 5.0% to 5.3%.

General and Administrative

General and administrative expenses consist primarily of personnel and related overhead and facilities costs for the finance, information systems, executive, human resources, and legal functions. General and administrative expense for the year ended March 31, 2002 increased 13% to $38 million. This increase was primarily due to increased headcount and personnel-related expenses. As a percentage of sales, general and administrative decreased from 4.6% to 4.0%.

Interest Expense, Net

Interest expense for the year ended March 31, 2002 was $2.0 million, compared to $.1 million in 2001. Interest expense increased due to the short-term borrowing and subsequent issuance of the five-year convertible bonds to finance the Labtec acquisition. The Company borrowed $35 million in March 2001 and $55 million in April 2001 to finance the acquisition and repay Labtec obligations and credit lines. This debt was repaid in June 2001 using proceeds from the issuance of a convertible bond.

Other Income (Expense), Net

Other expense was $1.6 million for the year ended March 31, 2002, compared to other income of $2.6 million last year. Other expense this year includes the $1.2 million write-off of an investment and $2.5 million of losses recorded for investments accounted for under the equity method, partially offset by the $1.1 million gain on the sale of shares in Immersion and $.6 million of proceeds from a property loss insurance claim. Other income last year was primarily due to gains of $1.9 million gain from the sale of a building and $1.3 million from the sale of an investment, partially offset by $.7 million of losses recorded for investments accounted for under the equity method.

Provision for Income Taxes

The provision for income taxes consists of income and withholding taxes. The provision for income taxes for the year ended March 31, 2002 was $19 million, representing a 20% effective tax rate, compared to $12 million, representing a 21% effective tax rate in 2001. In 2001, the effective tax rate was impacted by certain non-deductible one time purchased in-process research and development expenses of $3.3 million related to the Labtec acquisition. Excluding the purchased in-process research and development expense, the effective tax rate in 2001 would have been 20%.

Year Ended March 31, 2001 Compared to Year Ended March 31, 2000

Net Sales

Net sales for the year ended March 31, 2001 increased 24% to $735.5 million. This growth was shared across all product categories, but primarily came from the Company's video and keyboard products, as well as increases from the Company's corded and cordless mice. With approximately 51% of the Company's sales denominated in the Euro, the Company estimates that the impact of the weakening Euro, along with the impact of other exchange rate changes, was to reduce net sales by approximately $38 million.

Retail sales grew by 31% over the prior year. This growth was shared across all product categories. In the retail pointing device category, which includes mice and trackballs, sales grew by 13% while unit volumes grew 6%. This growth occurred in both corded and cordless mice, with sales increasing 22% over the prior year. The introduction of a variety of corded optical mice, including some models featuring tactile feedback, helped drive much of this growth.

Mice sales represented 38% of the Company's total retail revenue for both fiscal 2001 and 2000. Keyboard products were a source of strong growth with sales increasing by 55% over last year and unit volume growing 57%. The majority of growth in this category came from the cordless desktop line. In the video camera business, retail sales grew 60% and unit volumes more than doubled. Sales of interactive entertainment products grew 19%, while unit volumes increased 31%. The overall market for PC gaming peripherals was very weak, affecting Logitech sales. While sales of joysticks and steering wheels increased over last year, almost half of the sales growth in the gaming category came from sales of gaming console steering wheels, which were shipped for the launch of the "Gran Turisimo™ 3 A-Spec" racing game for PlayStation® 2. These shipments represented the Company's initial movement beyond the PC.

OEM sales grew this year by 8% compared to the prior year, while unit volume increased by 3%. This growth was made possible by significant growth in sales of PC video cameras, particularly in the first half of the year. Logitech's OEM sales declined in the fourth quarter of fiscal 2001 compared to the same quarter of the prior year. Difficult business conditions for the largest PC manufacturers, as well as a reduction in demand for new PC's, impacted Logitech OEM sales.

Gross Profit

Gross profit increased 27% to $233.3 million for the year ended March 31, 2001 due primarily to significantly higher sales volume. Gross margin (gross profit as a percentage of net sales) increased from 30.9% to 31.7%. The increase was primarily due to operational efficiencies achieved throughout the supply chain, combined with increased higher-margin internet video camera sales to OEM customers. Retail gross margin declined, reflecting a shift in product mix and the impact of pricing actions, as well as the decline in the value of the Euro compared to the U.S. dollar.

Operating Expenses

Marketing and Selling

Marketing and selling expenses for the year ended March 31, 2001 increased 32% to $105.1 million. The increase in sales and marketing expenses was directly related to the Company's increased sales performance and marketing initiatives aimed at strengthening the Company's retail presence. As a percentage of sales, marketing and selling costs increased from 13.4% to 14.3%.

Research and Development

Research and development expenses for the year ended March 31, 2001 increased 16% to $36.7 million. As a percentage of sales, research and development costs decreased slightly from 5.3% to 5.0%. Research and development efforts were focused on new product development and cost reductions on existing products.

General and Administrative

General and administrative expenses increased 8% to $33.5 million for the year ended March 31, 2001. This represents 4.6% of net sales, compared to 5.3% in the prior year. The increase in general and administrative expenses primarily reflects higher information systems costs.

Purchased In-Process Research and Development

In connection with the acquisition of Labtec in March 2001, Logitech recorded a one-time charge of $3.3 million for purchased in-process research and development. The value of IPR&D was determined by estimating the expected cash flows from the projects once commercially viable, discounting the net cash flows back to their present value and then applying a percentage of completion to the calculated value.

Interest Expense, Net

Net interest expense was $.1 million for the year ended March 31, 2001, approximately the same as $.2 million for the year ended March 31, 2000.

Other Income (Expense), Net

Other income was $2.6 million for the year ended March 31, 2001, compared to other expense of $3.3 million in fiscal 2000. Other income in fiscal 2001 was primarily due to the $1.9 million gain recognized from the sale of a building and the $1.3 million gain on the sale of shares of Immersion Corporation, partially offset by $.7 million of losses in investments accounted for under the equity method. The other expense in fiscal 2000 was primarily due to losses of $3.6 million in investments accounted for under the equity method, and the $2 million write-off of an investment, which were partially offset by the $1.5 million gain on the sale of the touchpad technology and $.9 million of foreign currency exchange gains.

Provision for Income Taxes

The provision for income taxes for the year ended March 31, 2001 was $12.1 million, representing a 21% effective tax rate, compared to $7.5 million, representing a 20% effective tax rate in 2000. The effective tax rate increased in 2001 due to the non-deductible nature of the one time purchased in-process research and development expense. Excluding the purchased in-process research and development expense, the effective tax rate in 2001 would have been 20%.

Liquidity and Capital Resources

Cash Balances, Available Borrowings, and Capital Resources

At March 31, 2002, net working capital was $265.7 million, compared to $116.8 million at March 31, 2001. Cash and cash equivalents totaled $143.1 million, an increase of $99.0 million from March 31, 2001. The increase in cash during fiscal 2002 was primarily due to profitable operations and effective management of inventory and receivables. The Company refinanced borrowings in connection with the Labtec acquisition with the proceeds from its $93 million convertible bond offering.

The Company has financed its operations and capital requirements primarily through cash flow from operations and, to a lesser extent, capital markets and bank borrowings. The Company's normal short-term liquidity and long-term capital resource requirements will be provided from three sources: ongoing cash flow from operations, cash and cash equivalents on hand and borrowings, as needed, under the credit facilities.

The Company had credit lines with several European and Asian banks totaling $62 million as of March 31, 2002. As is common for business in European and Asian countries, these credit lines are uncommitted and unsecured. Despite the lack of formal commitments from its banks, the Company believes that these lines of credit will continue to be made available because of its long-standing relationships with these banks. As of March 31, 2002, $56 million was available under these facilities.

Acquisition of Labtec

In March 2001, the Company completed the acquisition of Labtec, Inc. for $73 million with $47.6 million paid in cash and with the issuance of $25.4 million paid through the issuance of ADSs. In fiscal 2001, the Company borrowed $35 million under a $90 million term loan credit facility to finance part of the cash portion of the acquisition cost. During the first quarter of fiscal 2002, the Company borrowed the remaining term loan balance of $55 million to repay short-term Labtec borrowings of $19 million, long-term Labtec borrowings of $27 million and to pay other obligations relating to the acquisition. In June 2001, the Company sold 1% convertible bonds in a registered offering. Net proceeds of $93 million were used to repay the $90 million bridge loan.

Cash Flow from Operating Activities

The Company's operating activities provided net cash of $112.6 million for the year compared to $12.0 million, and $32.9 million for the years ended March 31, 2001 and 2000. The Company generated cash from a higher level of sales in fiscal 2002 compared to fiscal 2001. While accounts receivable increased by 18.2% to $171.1 million compared to

March 31, 2001, this increase is lower than the 28% increase in net sales for fiscal 2002 reflecting the strong collection efforts throughout the fiscal year. The Company made a concerted effort to reduce inventory levels, net of payables, during fiscal 2002. As a result, the Company invested significantly less cash in inventory this year, as inventory levels decreased significantly from the prior year end.

In fiscal 2001, the Company generated cash from a higher level of sales as compared to the previous year. But this was more than offset by the use of cash in fiscal 2001 for increased inventories and receivables, net of increased payables. The increase in inventory was due principally to anticipated demand for video camera products that did not develop until fiscal 2002.

Cash Flow from Investing Activities

The Company's investing activities used cash of $24.5 million for the year ended March 31, 2002, compared to $59.1 million and $19.9 million for the years ended March 31, 2001 and 2000. During the year ended March 31, 2002, cash of $6.8 million was used for additional acquisition costs related to the purchase of Labtec and to acquire a non-marketable equity investment. These expenditures were partially offset by cash proceeds of $4.2 million from the sale of available-for-sale securities.

Cash used in the year ended March 31, 2001 included $47.6 million, excluding $5.5 million cash acquired, for the acquisition of Labtec, $5 million for an additional investment in Spotlife, Inc., Logitech's spin-off focused on enhancing video communications using the Internet infrastructure, and $.6 million for investment in other affiliated companies. In addition, 2001 includes cash proceeds of $3.6 million for the sale of a building in Europe that was no longer being used in the Company's operations and $1.8 million from the sales of available-for-sales securities.

Cash used in the year ended March 31, 2000 included $4.2 million of investments in affiliated companies, almost half of which was used to form Spotlife.

The amounts invested in all three years for capital expenditures include normal expenditures for tooling costs, machinery and equipment, capital improvements, and other computer equipment. Fiscal year 2000 also included costs related to the Company's computer systems implementation project, which was completed mid-fiscal 2000.

Cash Flow from Financing Activities

The Company's financing activities provided cash of $13.2 million for the year ended March 31, 2002. In April 2001, the Company borrowed $55 million under the bridge loan, bringing the total bridge loan for the Labtec acquisition to $90 million. During the first quarter of fiscal 2002, the Company repaid short-term Labtec borrowings of $19 million and long-term Labtec borrowings of $27 million. In June 2001, the Company sold 1% convertible bonds in a registered offering in Switzerland. Net proceeds of $93 million were used to repay the $90 million bridge loan. The Company also realized $16.4 million of proceeds from the sale of registered shares and treasury shares to fulfill employee stock option and stock purchase plan requirements. In August through October 2001, under a previously announced registered share buyback program, the Company repurchased 628,704 Logitech shares for $15.0 million in open market transactions.

Net cash provided by financing activities for the year ended March 31, 2001 was $45.2 million. In March 2001, $35 million was borrowed from banks for the acquisition of Labtec. Also included in fiscal 2001 was $11.0 million of proceeds from the sale of registered shares and treasury shares to fulfill employee stock option and stock purchase plan requirements. This was partially offset by the repurchase of 39,000 Logitech shares for $1.1 million as part of a stock buy-back program in the first quarter.

Net cash used by financing activities for the year ended March 31, 2000 was $5.8 million. This represents an $18.4 million net paydown of short-term debt, partially offset by $12.9 million of proceeds from sales of treasury shares and registered shares pursuant to employee stock purchase and stock option plans.

Contractual Obligations and Commitments

The following summarizes Logitech's contractual obligations at March 31, 2002, and the effect such obligations have on its liquidity and cash flow in future periods.

		Year ended March 31,			
	Total	2003	2004 - 2005	2006 - 2007	After
			(in thousands)		
Convertible bonds	$ 101,916	$ -	$ -	$ 101,916	$ -
Swiss mortgage loan	2,749	-	2,749	-	-
Lines of credit	5,278	5,278			
Capital leases	387	240	147	-	-
Operating leases	16,938	5,776	7,119	4,043	-
Fixed purchase commitments-inventory	60,764	60,764	-	-	-
Fixed purchase commitments-capital	3,770	1,770	2,000		
Acquisition, payable in common stock	7,500	-	7,500	-	-
Spotlife commitments	5,502	3,568	1,934	-	-
Total contractual obligations	$ 204,804	$ 77,396	$ 21,449	$ 105,959	$ -

The convertible bonds are convertible at any time into shares of Logitech registered shares at the conversion price of CHF 62.40 (US $38.60) per share. Early redemption is permitted at any time at the accreted redemption amount, subject to certain requirements. Fixed purchase commitments relate primarily to purchase commitments for inventory and capital expenditures. The inventory commitments are in the normal course of operations and are to original design manufacturers, contract manufacturers and other suppliers. In addition, the Company had guaranteed up to a maximum of $5.3 million of Spotlife's capital lease obligation. As of March 31, 2002, the outstanding balance of the lease obligation, and therefore the Company's guarantee, was $1.8 million. In May 2002, the Company acquired Spotlife's remaining shares and assumed Spotlife's assets and liabilities. The Spotlife commitments above relate to two capital leases, an operating lease, and several other contractual obligations in the normal course of business.

The Company believes that its cash and cash equivalents, cash from operations, and available borrowings under its bank lines of credit will be sufficient to fund capital expenditures and working capital needs for the foreseeable future.

Market Risk

Market risk represents the potential for loss due to adverse changes in the fair value of financial instruments. As a global concern, the Company faces exposure to adverse movements in foreign currency exchange rates and interest rates. These exposures may change over time as business practices evolve and could have a material adverse impact on the Company's financial results.

Foreign Currency Exchange Rates

Currently, the Company's primary exposures relate to non-U.S. dollar denominated sales in Europe and Asia and non-U.S. dollar denominated operating expenses, inventory costs and long term debt in Europe and Asia. The principal currencies creating foreign exchange rate risk for the Company are the Euro, Taiwan Dollar, Swiss Franc and Japanese Yen.

For the year ended March 31, 2002, approximately 52% of the Company's sales were denominated in non-U.S. currencies. With the exception of its manufacturing subsidiaries in China, which use the U.S. dollar as their functional currency, the Company primarily uses the local currencies of its foreign subsidiaries as the functional currency. Accordingly, unrealized foreign currency gains or losses resulting from the translation of net assets denominated in foreign currencies to the U.S. dollar are accumulated in the cumulative translation adjustment component of other comprehensive income in shareholders' equity.

The Company estimates that if the U.S. dollar had appreciated by an additional 10% as compared to the functional currencies used by its foreign subsidiaries, net income for the year ended March 2002 would have been adversely impacted by approximately $17.6 million.

On June 8, 2001 the Company sold CHF 170 million (US $95.6 million) Swiss Franc denominated 1% Convertible Bonds which mature in five years. Although the Company is exposed to foreign exchange risks on this long-term obligation, the Swiss Franc liability serves to partially offset the effect of exchange rate fluctuations on assets held in European currencies. Unrealized gains or losses resulting from translation of the bonds to the U.S. dollar are accumulated in the cumulative translation adjustment component of other comprehensive loss in shareholders' equity. At March 31, 2002, the carrying amount of the convertible bonds was US $101.9 million, which reflects the exchange rate fluctuation of $5.5 million during fiscal 2002 and the accretion of the redemption premium over the life of the debt. If the U.S. dollar strengthened by 10% in comparison to the Swiss Franc, the increase in the cumulative translation adjustment component of shareholders' equity would have been $9.2 million. If the U.S. dollar weakened by 10% in comparison to the Swiss Franc, a decrease of approximately $11.2 million would have occurred in the cumulative translation adjustment component of shareholders' equity.

From time to time, certain subsidiaries enter into forward exchange contracts to hedge inventory purchase exposures denominated in U.S. dollars. The amount of the forward exchange contracts is based on forecasts of inventory purchases. These forward exchange contracts are denominated in the same currency as the underlying transactions. Logitech does not use derivative financial instruments for trading or speculative purposes. At March 31, 2002, the notional amount of forward foreign exchange contracts outstanding was $7 million. These forward contracts generally mature within three months. As of March 31, 2002, unrealized gains on the fair value of outstanding foreign exchange hedging contracts were $0.1 million. If there is a 10% increase in the rate at which a foreign currency is exchanged for U.S. dollars, an approximate $.4 million unrealized loss in the Company's forward foreign exchange contract portfolio would have occurred. If there were a 10% decrease in the foreign currency exchange rate for U.S. dollars, an unrealized gain of approximately $.8 million in the Company's forward foreign exchange contract portfolio would have occurred.

Interest Rates

The Company's long-term debt is fixed rate. A change in market interest rates, therefore, has no impact on interest expense or cash flows.

Changes in interest rates could impact the Company's anticipated interest income on its cash equivalents and interest expense on variable rate short-term debt. The Company prepared sensitivity analyses of its interest rate exposures to assess the impact of hypothetical changes in interest rates. Based on the results of these analyses, a 10% adverse or favorable change in interest rates from the fiscal 2002 and 2001 year end rates would not have a material adverse effect on the Company's results of operations, cash flows or financial condition for the next year.

LOGITECH INTERNATIONAL S.A.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	March 31, 2002	March 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 143,101	$ 44,142
Accounts receivable	171,103	144,781
Inventories	85,124	111,612
Other current assets	36,586	29,558
Total current assets	435,914	330,093
Investments	8,713	16,649
Property, plant and equipment	32,086	38,160
Intangible assets:		
Goodwill	102,017	95,197
Other intangible assets	15,358	18,726
Other assets	4,756	6,291
Total assets	$ 598,844	$ 505,116
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 5,527	$ 62,986
Accounts payable	91,368	91,267
Accrued liabilities	73,309	59,054
Total current liabilities	170,204	213,307
Long-term debt	104,812	26,908
Other liabilities	811	8,847
Total liabilities	275,827	249,062
Commitments and Contingencies		
Shareholders' equity:		
Registered shares, par value CHF 1 - 51,209,535 authorized, 11,890,465 conditionally authorized, 47,901,655 issued and outstanding at March 31, 2002; 53,176,490 authorized, 9,923,510 conditionally authorized, 44,418,610 issued and outstanding at March 31, 2001	33,370	31,396
Additional paid-in capital	134,312	118,740
Less registered shares in treasury, at cost, 2,083,003 at March 31, 2002 and 164,750 at March 31, 2001	(15,819)	(627)
Retained earnings	204,391	129,435
Accumulated other comprehensive loss	(33,237)	(22,890)
Total shareholders' equity	323,017	256,054
Total liabilities and shareholders' equity	$ 598,844	$ 505,116

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share amounts)

	Year ended March 31,		
	2002	2001	2000
Net sales	$ 943,546	$ 735,549	$ 592,096
Cost of goods sold	627,998	502,290	408,969
Gross profit	315,548	233,259	183,127
Operating expenses:			
Marketing and selling	130,060	105,140	79,389
Research and development	50,531	36,686	31,666
General and administrative	37,739	33,484	31,102
Purchased in-process research and development	-	3,275	-
Total operating expenses	218,330	178,585	142,157
Operating income	97,218	54,674	40,970
Interest expense, net	(1,956)	(148)	(163)
Other income (expense), net	(1,567)	2,628	(3,252)
Income before income taxes	93,695	57,154	37,555
Provision for income taxes	18,739	12,086	7,511
Net income	$ 74,956	$ 45,068	$ 30,044
Net income per share and ADS:			
Basic	$ 1.67	$ 1.07	$ .76
Diluted	$ 1.50	$ .96	$ .69
Shares used to compute net income per share and ADS:			
Basic	44,928,853	42,226,240	39,769,900
Diluted	50,939,060	46,940,170	43,759,940

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year ended March 31,		
	2002	2001	2000
Cash flows from operating activities			
Net income	$ 74,956	$ 45,068	$ 30,044
Non-cash items included in net income:			
Depreciation	28,092	19,012	15,775
Amortization of goodwill	-	693	693
Amortization of other intangible assets	3,678	2,335	3,547
Purchased in-process research and development	-	3,275	-
Write-off of investments	1,220	50	2,000
Gain on sale of investments	(1,115)	(1,296)	(1,525)
Equity in net losses of affiliated companies	2,469	440	4,627
Loss (gain) on disposal of property, plant and equipment	-	(1,922)	117
Deferred income taxes and other	(376)	1,030	398
Changes in current assets and liabilities:			
Accounts receivable	(28,937)	(6,630)	(31,823)
Inventories	26,040	(29,411)	(345)
Other current assets	(3,139)	(5,643)	(9,816)
Accounts payable	(878)	(18,009)	7,232
Accrued liabilities	10,585	3,051	11,942
Net cash provided by operating activities	112,595	12,043	32,866
Cash flows from investing activities:			
Purchases of property, plant and equipment	(21,941)	(16,824)	(17,872)
Sales of property, plant and equipment	-	3,637	-
Acquisitions and investments, net of cash acquired	(6,822)	(47,696)	(4,219)
Sales of investments	4,249	1,767	2,150
Net cash used in investing activities	(24,514)	(59,116)	(19,941)
Cash flows from financing activities:			
Net borrowing (repayment) of short-term debt	(53,994)	35,000	(18,416)
Borrowing of long-term debt, net of issuance costs	93,292	211	-
Repayment of long-term debt	(27,450)	-	(330)
Purchase of treasury shares	(15,043)	(1,065)	-
Proceeds from sale of shares upon exercise of options and rights	16,389	11,049	12,925
Net cash provided by (used in) financing activities	13,194	45,195	(5,821)
Effect of exchange rate changes on cash and cash equivalents	(2,316)	(3,406)	(929)
Net increase (decrease) in cash and cash equivalents	98,959	(5,284)	6,175
Cash and cash equivalents at beginning of period	44,142	49,426	43,251
Cash and cash equivalents at end of period	$ 143,101	$ 44,142	$ 49,426
Supplemental cash flow information:			
Interest paid	$ 1,709	$ 158	$ 616
Income taxes paid	$ 3,409	$ 863	$ 1,808
Non-cash investing and financing activities:			
Property acquired through capital lease financing	-	$ 900	-
Acquisition of Labtec through issuance of shares	$ 875	$ 25,436	-

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands, except share amounts)

	Registered shares Shares	Registered shares Amount	Additional paid-in capital	Treasury shares Shares	Treasury shares Amount	Retained earnings	Accumulated other comprehensive loss	Total
March 31, 1999	40,033,760	$ 28,738	$ 75,717	1,298,460	$ (6,643)	$ 54,323	$ (12,381)	$ 139,754
Net income	-	-	-	-	-	30,044	-	30,044
Cumulative translation adjustment	-	-	-	-	-	-	(4,399)	(4,399)
Total comprehensive income	-	-	-	-	-	-	-	25,645
Sale of shares upon exercise of options and purchase rights	1,595,440	1,014	6,324	(1,092,060)	5,587	-	-	12,925
Tax benefit from exercise of stock options	-	-	1,645	-	-	-	-	1,645
March 31, 2000	41,629,200	$ 29,752	$ 83,686	206,400	$ (1,056)	$ 84,367	$ (16,780)	$ 179,969
Net income	-	-	-	-	-	45,068	-	45,068
Cumulative translation adjustment	-	-	-	-	-	-	(7,075)	(7,075)
Unrealized gain net of income taxes	-	-	-	-	-	-	965	965
Total comprehensive income	-	-	-	-	-	-	-	38,958
Issuance of registered shares for acquisition of Labtec	1,143,000	678	24,758	-	-	-	-	25,436
Issuance of registered shares at par value	99,120	59	-	99,120	(59)	-	-	-
Purchase of treasury shares	-	-	-	39,000	(1,065)	-	-	(1,065)
Sale of shares upon exercise of options and purchase rights	1,547,290	907	8,589	(179,770)	1,553	-	-	11,049
Tax benefit from exercise of stock options	-	-	1,707	-	-	-	-	1,707
March 31, 2001	44,418,610	$ 31,396	$ 118,740	164,750	$ (627)	$ 129,435	$ (22,890)	$ 256,054
Net income	-	-	-	-	-	74,956	-	74,956
Cumulative translation adjustment	-	-	-	-	-	-	(9,230)	(9,230)
Unrealized loss net of income taxes	-	-	-	-	-	-	(1,293)	(1,293)
Deferred realized hedging gains	-	-	-	-	-	-	176	176
Total comprehensive income	-	-	-	-	-	-	-	64,609
Issuance of registered shares at par value	2,725,000	1,533	-	2,725,000	(1,533)		-	-
Purchase of treasury shares	-	-	-	628,704	(15,043)	-	-	(15,043)
Sale of shares upon exercise of options and purchase rights	758,045	441	14,720	(1,396,117)	1,361	-	-	16,522
Acquisition of additional Labtec shares	-	-	852	(39,334)	23	-	-	875
March 31, 2002	47,901,655	$ 33,370	$ 134,312	2,083,003	$ (15,819)	$ 204,391	$ (33,237)	$ 323,017

The accompanying notes are an integral part of these consolidated financial statements.

LOGITECH INTERNATIONAL S.A.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — The Company:

Logitech International S.A. designs, manufactures and markets personal interface products and supporting software that serve as the primary physical interface between people and their personal computers and other digital platforms. The Company's products include corded and cordless mice, trackballs, and keyboards; joysticks, gamepads and racing systems; Internet video cameras; PC speakers, headsets and microphones; and 3D controllers. The Company sells its products to both original equipment manufacturers ("OEMs") and to a network of retail distributors and resellers.

Logitech was founded in Switzerland in 1981, and in 1988 listed its registered shares in an initial public offering in Switzerland. In 1997, the Company sold shares in a U.S. initial public offering in the form of American Depository Shares ("ADSs") and listed the ADSs on the Nasdaq National Market system. The Company's operational headquarters are in Fremont, California through its U.S. subsidiary, with regional headquarters in Romanel, Switzerland and Hsinchu, Taiwan through local subsidiaries. The Company has its principal manufacturing operations in China, and distribution facilities in the U.S., Europe and Asia.

Note 2 — Summary of Significant Accounting Policies:

Basis of Presentation

The consolidated financial statements include the accounts of Logitech and its subsidiaries. All material intercompany balances and transactions have been eliminated. The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and comply with relevant Swiss Law.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Revenue Recognition

Revenues are recognized upon transfer of title and risk of loss, which is generally when products are shipped. Revenues from sales to distributors and authorized resellers are subject to terms allowing price protection, certain rights of return and allowances for customer marketing programs. Accordingly, allowances for estimated future returns, price protection and customer marketing programs are provided for upon revenue recognition. Such amounts are estimated based on historical and anticipated rates of returns, distributor inventory levels and other factors.

Advertising

Advertising costs are expensed as incurred and amounted to $71.6 million in 2002, $53.9 million in 2001 and $33.5 million in 2000. Advertising costs are recorded as either a sales and marketing expense or a deduction from sales.

Foreign Currency

The functional currencies of the Company's operations are primarily the U.S. dollar, and to a lesser extent, the Euro, Swiss franc, Taiwanese dollar, and Japanese yen. The financial statements of the Company's subsidiaries whose functional currency is other than the U.S. dollar are translated to U.S. dollars using period-end rates of exchange for assets and liabilities and using monthly rates for net sales and expenses. Translation gains and losses are deferred and included in the cumulative translation adjustment component of shareholders' equity. Gains and losses arising from transactions denominated in currencies other than a subsidiary's functional currency are reflected in other income (expense), net in the statements of income.

Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains cash and cash equivalents with various financial institutions to limit exposure with any one financial institution.

The Company sells to large OEMs, distributors and to high volume resellers and, as a result, maintains individually significant receivable balances with large customers. At March 31, 2002, one customer represented 10% of total accounts receivable and at March 31, 2001, two customers represented 10.5% of total accounts receivable. The Company's OEM customers tend to be well capitalized, multi-national companies, while retail customers may be less well capitalized. The Company controls its accounts receivable credit risk through ongoing credit evaluation of its customers' financial condition and by purchasing credit insurance on European retail accounts receivable. The Company generally does not require collateral from its customers.

Inventories

Inventories are stated at the lower of cost or market. Cost is computed on a first-in, first-out basis. Provisions are made for potentially obsolete, excess or slow moving inventories.

Investments

Investments in companies in which Logitech owns between 20% and 50%, and does not control, are accounted for using the equity method. Under the equity method, the Company adjusts its carrying value to recognize its share of results of operations. Investments less than 20% owned are carried at cost. The Company also has an investment in a marketable security that is classified as "available-for-sale". The Company carries this investment at market value and records increases or decreases in market value as a component of shareholders' equity.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Additions and improvements are capitalized, whereas maintenance and repairs are expensed as incurred. The Company capitalizes the cost of software developed for internal use in connection with major projects. Costs incurred during the feasibility stage are expensed, whereas costs incurred during the application development stage are capitalized. Depreciation is provided using the straight-line method over estimated useful lives of five to 25 years for plant and buildings, one to five years for equipment and three to five years for software development.

Intangible Assets

Effective April 1, 2001, the Company adopted SFAS No. 142, "Goodwill and Intangible Assets". In accordance with this standard, intangible assets principally include goodwill, acquired technology and trademarks. Intangible assets with finite lives, which include acquired technology and trademarks, are recorded at cost and amortized on the straight-line method over their respective useful lives. Intangible assets with indefinite lives, which include goodwill, are recorded at cost and evaluated annually for impairment.

Impairment of Long-Lived Assets

The Company reviews for impairment of long-lived assets, such as investments, property and equipment, and other intangible assets, whenever events indicate that the carrying amount might not be recoverable. Management assesses recoverability by comparing the projected undiscounted net cash flows associated with those assets to their carrying values. If impaired, the asset is written down to fair value, which is determined based on discounted cash flows or appraised value, depending on the nature of the asset. Goodwill is evaluated for impairment annually on an enterprise value basis.

Income Taxes

The Company provides for income taxes using the liability method, which requires that deferred tax assets and liabilities be recognized for the expected future tax consequences of temporary differences arising between the bases of assets and liabilities for financial reporting and income tax purposes. In estimating future tax consequences, expected future events are taken into consideration, with the exception of potential tax law or tax rate changes.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents and accounts receivable, accounts payable and accrued liabilities, short-term debt and current maturities of long-term debt, carrying value approximates fair value due to their short maturities. The estimated fair value of publicly traded financial equity instruments is determined by using quoted market prices.

Net Income Per Share and ADS

Basic earnings per share is computed by dividing net income by the weighted average number of outstanding registered shares. Diluted earnings per share is computed using weighted average registered shares and, if dilutive, weighted average registered share equivalents. The registered share equivalents are registered shares issuable upon the exercise of stock options and stock purchase plan agreements (using the treasury stock method), and upon the conversion of convertible debt (using the if-converted method). For the year ended March 31, 2002, the shares issuable upon conversion of the convertible debt were included in the registered share equivalents.

The computations of the basic and diluted per share amounts for the Company were as follows:

	Year ended March 31,		
	2002	2001	2000
		(In thousands)	
Net income:			
Basic	$ 74,956	$ 45,068	$ 30,044
Convertible debt interest expense, net of income tax	1,664	-	-
Diluted	$ 76,620	$ 45,068	$ 30,044
Weighted average common shares outstanding			
Basic	44,929	42,226	39,770
Effect of dilutive stock options	3,808	4,714	3,990
Effect of dilutive convertible debt	2,202	-	-
Diluted	50,939	46,940	43,760

Stock Split

In August 2001, the Company completed a ten-for-one stock split for shares traded on the Swiss Exchange. ADSs traded on Nasdaq were not affected. As a result, the ratio of ten ADSs to one registered share changed to a new ratio of one ADS to one registered share. In July 2000, Logitech completed a two-for-one stock split for shares traded on the Swiss Exchange and ADSs traded on Nasdaq. All references to share and per-share data for all periods presented have been adjusted to give effect to these stock splits.

Stock-Based Compensation Plans

The Company has adopted the pro forma disclosure-only requirements of SFAS 123, "Accounting for Stock-Based Compensation," which requires companies to measure employee stock compensation based on the fair value method of accounting. As permitted by SFAS 123, the Company follows the accounting provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, compensation expense is not recognized unless the exercise price of an option is less than the market value of the underlying stock on the grant date.

Comprehensive Income:

Comprehensive income or loss is defined as the total change in shareholders' equity during the period other than from transactions with shareholders. For the Company, comprehensive income consists of net income, the net change in the accumulated foreign currency translation adjustment account, the net change in unrealized gains or losses on marketable equity securities and the net change in deferred realized gains and losses in hedging activity. Comprehensive income is presented as an element of shareholders' equity.

Reclassifications

Certain amounts reported in prior years' financial statements have been reclassified to conform with the current year presentation.

Note 3 — Reclassification of Channel Marketing Expenses:

Effective January 1, 2002, the Company adopted Emerging Issues Task Force Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products", which was issued by the EITF in November 2001. This required the reclassification of certain channel marketing expenses from marketing and selling expenses to a deduction from sales. The reclassifications decreased net sales and marketing and selling expenses by the same amount. The reclassifications did not impact operating income, net income or earnings per share. All prior periods have been reclassified to reflect the adoption of the EITF provisions.

Net sales and marketing and selling expense for the years ended March 31, 2001 through 1998, after reclassification, are as follows:

	Net Sales		Sales & Marketing Expense	
	As Reported	As Reclassified	As Reported	As Reclassified
	(in thousands)			
Year Ended:				
March 31, 2001	$ 761,356	$ 735,549	$ 130,947	$ 105,140
March 31, 2000	615,664	592,096	102,957	79,389
March 31, 1999	470,741	448,136	85,350	62,745
March 31, 1998	406,109	390,227	68,813	52,931

Net sales and marketing and selling expense for the quarters ended December 31, 2001 through June 30, 2000, after reclassification, are as follows (unaudited):

	Net Sales		Sales & Marketing Expense	
	As Reported	As Reclassified	As Reported	As Reclassified
	(in thousands)			
Quarter Ended:				
December 31, 2001	$ 314,174	$ 299,067	$ 54,294	$ 39,187
September 30, 2001	227,829	217,575	42,326	32,072
June 30, 2001	177,867	170,950	33,570	26,652
March 31, 2001	197,393	190,357	32,775	25,739
December 31, 2000	231,982	224,576	36,907	29,501
September 30, 2000	190,565	183,810	34,817	28,062
June 30, 2000	141,416	136,806	26,449	21,838

If the reclassification had not occurred, net sales and marketing and selling expense for the year ended March 31, 2002 would have been $989.2 million and $175.8 million, and for the quarter ended March 31, 2002 (unaudited) would have been $269.4 million and $45.6 million.

Note 4 — Acquisition of Labtec:

On March 27, 2001, the Company acquired Labtec, Inc. a publicly-traded Vancouver, Washington-based provider of PC speakers, headsets and microphones, personal audio products for MP3 players and other portable audio devices, 3D input devices, other accessories for computing, communications and entertainment. Under terms of the merger agreement, Logitech purchased substantially all outstanding shares of Labtec for $76.3 million in cash ($47.6 million) and stock ($25.4 million), including transaction costs ($3.3 million).

The purchase was financed through $35 million of short-term borrowings under a term loan credit facility, $25.4 million through the issuance of 1,142,998 Logitech ADSs and the remainder through internally generated funds. For accounting purposes, Logitech ADSs were valued at the average closing price for a five-day period encompassing March 20, 2001, the date the number of shares to be issued was determined. In April 2001, the Company borrowed an additional $55 million through its term loan credit facility to repay indebtedness and obligations of Labtec as well as to pay costs and expenses in connection with the acquisition. The Company refinanced these short-term borrowings with $95.6 million of long-term convertible bonds in June 2001.

The acquisition was accounted for using the purchase method of accounting. Therefore, the assets acquired and liabilities assumed were recorded at their preliminary estimated fair values as determined by the Company's management based upon assumptions as to future operations and other information available at the time of the acquisition. The Company obtained an independent appraisal of the fair values of the acquired identifiable intangible assets.

In the fourth quarter of 2002, the purchase price allocation was finalized. A summary of the purchase price allocation to the fair values of assets acquired and liabilities assumed in the acquisition is as follows (in thousands):

Estimated fair value of tangible assets acquired	$	37,940
Estimated fair values of intangible assets acquired:		
Patents and core technology		2,944
Existing technology		3,879
Trademark/tradename		4,151
Goodwill		98,790
Estimated fair value of liabilities assumed		(71,439)
Restructuring liabilities		(3,250)
Purchased in-process research and development		3,275
Total net assets acquired (purchase price)	$	76,290

The values of the patents, core technology, trademark and tradename were estimated using the relief from royalty method. These assets are being amortized on a straight-line basis over their estimated useful lives of four to five years. Where development projects had reached technological feasibility, they were classified as existing technology, and are being amortized on a straight-line basis over an estimated useful life of four years.

Where the development projects had not reached technological feasibility and had no further alternative uses, they were classified as in-process research and development ("IPR&D"), and expensed in fiscal 2001 upon the consummation of the merger. The value of IPR&D was determined by estimating the expected cash flows from the projects once commercially viable, discounting the net cash flows back to their present value and then applying a percentage of completion to the calculated value.

As a result of the acquisition of Labtec, the Company expected to incur and accrued for restructuring costs of $3.25 million for the incremental costs to exit and consolidate activities at Labtec locations, and to involuntarily terminate certain employees. During fiscal year 2002, $2.1 million of these accruals were utilized and $1.2 million of the accrual remains at March 31, 2002 to be utilized for lease commitments over the next two years relating to duplicate facilities abandoned.

Unaudited pro forma condensed combined income statement information for the years ended March 31, 2001 and 2000, as if Labtec had been acquired as of the beginning of fiscal year 2000 are shown below. These pro formas exclude the $3.3 million purchased in-process research and development charge in connection with the acquisition and costs incurred by Labtec to complete the acquisition, but include adjustments to conform Labtec's accounting policies, including areas such as accounts receivable, inventories and related accounts, to those accounting policies followed by Logitech.

	Year Ended March 31, 2002	Pro Forma Year ended March 31, 2001	2000
	(in thousands, except per share data)		
Net sales	$ 943,546	$ 822,947	$ 673,896
Operating income	$ 97,218	$ 57,344	$ 45,105
Net income	$ 74,956	$ 40,599	$ 29,465
Net income per share and ADS:			
Basic	$ 1.67	$ .96	$ .74
Diluted	$ 1.50	$ .86	$ .67

Note 5 — Investment in 3Dconnexion:

In June 1998, the Company acquired 49% of the outstanding shares of 3Dconnexion, the provider of Logitech's 3D controllers. In September 2001, the Company acquired an additional 2% of the outstanding shares and a controlling interest in 3Dconnexion. On April 5, 2002, the Company exercised its option to purchase the remaining outstanding shares for $7.5 million, payable in July 2003 using Logitech shares.

The 3Dconnexion business has been combined with the 3D input device business acquired with the Labtec acquisition to offer a complete line of 3D input devices utilitizing the market strengths, engineering resources and global presence of both entities.

3Dconnexion's assets and liabilities have been included in the Company's consolidated financial statements since September 30, 2001, and its results of operations have been included since October 1, 2001. The impact of 3Dconnexion's assets, liabilities and results of operations were not material to the Company's sales, results of operations, financial position or earnings per share.

Note 6 — Equity Investments:

In November 1999, Logitech announced the formation of a new company, Spotlife Inc., whose business was to enhance video communications using the Internet infrastructure. Logitech invested $7 million in Spotlife, and has agreed to guarantee up to $5.3 million of the company's capital lease obligation. As of March 31, 2002, the outstanding balance of the lease obligation, and therefore the Company's guarantee, was $1.8 million. As of March 31, 2002, Logitech owned approximately 35.2% of Spotlife's outstanding shares on a fully diluted basis, with outside investors having the ability to exercise significant influence over the management of the company. Logitech accounts for its investment in this company using the equity method. On May 3, 2002, the Company acquired the remaining 64.8% of Spotlife Inc. for approximately $2.5 million in cash. This acquisition will be accounted for using the purchase method of accounting. The impact of Spotlife's assets and liabilities will not be material to the Company's financial position.

In April 1998, the Company acquired 10% of the then outstanding stock of Immersion Corporation, a developer of force feedback technology for PC peripherals and software applications. In November 1999, Immersion registered shares on the U.S. Nasdaq Stock Market in an initial public offering. In fiscal 2002 and 2001, the Company sold partial interests in Immersion and recognized gains of $1.1 million and $1.3 million in other income. The Company accounts for its investment in Immersion as available-for-sale in accordance with SFAS 115 – "Accounting for Certain Investments in Debt and Equity Securities". Accordingly, the Company carries its investment in Immersion at market value and records changes in market value as a component of shareholders' equity until the sale of the securities. As of March 31, 2002, Logitech owned approximately 1.6% of Immersion. The cost of these securities was $1.4 million and the gross unrealized loss was $.5 million.

The Company uses the cost method of accounting for all other investments, all of which represent less than 20% ownership interests.

Note 7 — Balance Sheet Components:

	March 31, 2002	March 31, 2001
	(In thousands)	
Accounts receivable:		
Accounts receivable	$ 203,717	$ 163,240
Allowance for doubtful accounts	(7,578)	(5,402)
Allowance for returns and other	(25,036)	(13,057)
	$ 171,103	$ 144,781
Inventories:		
Raw materials	$ 12,404	$ 26,002
Work-in-process	201	225
Finished goods	72,519	85,385
	$ 85,124	$ 111,612
Other current assets:		
Tax and VAT refund receivables	$ 15,993	$ 11,811
Deferred taxes	8,863	7,466
Prepaid expenses	6,815	5,296
Other current	4,915	4,985
	$ 36,586	$ 29,558
Property, plant and equipment:		
Land	$ 1,757	$ 1,851
Plant and buildings	18,092	18,256
Equipment	55,219	63,996
Computer equipment and software	39,854	48,870
	114,922	132,973
Less accumulated depreciation	(82,836)	(94,813)
	$ 32,086	$ 38,160
Other assets:		
Deposits	$ 2,358	$ 1,079
Debt issuance costs	2,295	-
Deferred taxes	59	4,953
Other	44	259
	$ 4,756	$ 6,291

Note 8 — Goodwill and Other Intangible Assets:

Effective April 1, 2001, the Company adopted SFAS No. 142, "Goodwill and Intangible Assets" and No. 141, "Business Combinations", which were issued by the Financial Accounting Standards Board in July 2001. Under these standards, the Company reclassified intangibles associated with assembled workforce to goodwill and ceased amortizing goodwill effective April 1, 2001. This resulted in not recognizing $6.0 million in amortization expense for the year ended March 31, 2002, that would have been recognized had the old standards been in effect. Fiscal years 2001 and 2000 included $1.0 million and $.9 million in amortization expense recorded under the old standards.

The following table presents net income on a comparable basis, after eliminating goodwill amortization:

	YEAR ENDED MARCH 31,		
	2002	2001	2000
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Net income:			
As reported	$ 74,956	$ 45,068	$ 30,044
As adjusted	74,956	45,866	30,732
Basic earnings per share:			
As reported	$ 1.67	$ 1.07	$ .76
As adjusted	$ 1.67	$ 1.09	$ .77
Diluted earnings per share:			
As reported	$ 1.50	$ .96	$ .69
As adjusted	$ 1.50	$ .98	$ .70

Acquired other intangible assets subject to amortization were as follows:

	MARCH 31, 2002		MARCH 31, 2001	
	GROSS CARRYING AMOUNTS	ACCUMULATED AMORTIZATION	GROSS CARRYING AMOUNTS	ACCUMULATED AMORTIZATION
	(IN THOUSANDS)			
Trademark/tradename	$ 15,265	$ (5,024)	$ 14,975	$ (3,155)
Existing and core technology	10,423	(5,306)	10,423	(3,600)
Other	500	(500)	500	(417)
	$ 26,188	$ (10,830)	$ 25,898	$ (7,172)

For the years ended March 31, 2002, 2001 and 2000, amortization expense for other intangible assets was $3.7 million, $2.0 million and $1.9 million. The estimated future annual amortization expense for other intangible assets is $3.7 million, $3.7 million, $3.7 million, $2.0 million and $1.1 million for the fiscal years 2003, 2004, 2005, 2006 and 2007.

In accordance with SFAS 142, the Company completed an impairment test of goodwill in fiscal 2002 and determined that goodwill was not impaired. As the Company has fully integrated Labtec as well as previously acquired companies, discrete financial information for the acquisitions is no longer available. As a result, the Company has completed the impairment test on an enterprise value basis.

Note 9 — Financing Arrangements:

Short-term Credit Facilities

On March 8, 2001, in connection with the acquisition of Labtec, Inc., Logitech entered into a short term $90 million bank credit facility (the "bridge loan") for the purpose of financing the cash consideration paid to Labtec shareholders, repaying indebtedness and obligations of Labtec, and paying costs and expenses in connection with the acquisition. Amounts drawn down at March 31, 2001 were $35 million. In April 2001, the Company borrowed an additional $55 million. The bridge loan was repaid with proceeds from the convertible bond offering in June 2001. In addition, at March 31, 2001 Labtec had short-term revolving bank debt of $19 million. The loan was repaid in full in April 2001.

The Company had several uncommitted, unsecured bank lines of credit aggregating $62 million at March 31, 2002. Borrowings outstanding were $5.3 million and $5.7 million at March 31, 2002 and March 31, 2001. The borrowings under these agreements were denominated in Japanese yen at a weighted average annual interest rate of 1.4% at March 31, 2002 and 1.6% at March 31, 2001, and were due on demand.

Long-term Debt

	March 31, 2002	March 31, 2001
	(In thousands)	
Convertible bonds	$ 101,916	$ -
Renewable Swiss mortgage loan due April 2004, bearing interest at 4.0%, collateralized by properties with net book values aggregating $1.9 million at March 31, 2002	2,749	2,671
Capital lease obligation, with repayments of $240,000 and $147,000 in fiscal 2003 and 2004	387	716
Labtec long-term debt assumed by Logitech	-	26,822
Total long-term debt	105,052	30,209
Less current maturities	240	3,301
Long-term portion	$ 104,812	$ 26,908

On June 8, 2001, Logitech sold CHF 170,000,000 (US $95,625,000) aggregate principal amount of its 1% Convertible Bonds 2001-2006, which mature in five years. The net proceeds of the convertible bond offering were used to refinance debt associated with the acquisition of Labtec, including repaying the $90 million short-term bridge loan. The Company registered the convertible bonds for resale with the Swiss Stock Exchange. The convertible bonds were issued in denominations of CHF 5,000 at par value, with interest at 1.00% payable annually, and final redemption in June 2006 at 105%, representing a yield to maturity of 1.96%. The convertible bonds are convertible at any time into shares of Logitech registered shares at the conversion price of CHF 62.4 (US $38.60) per share. Early redemption is permitted at any time at the accreted redemption amount, subject to certain requirements. The Company accounts for the redemption premium over the term of the loan by recording interest expense and increasing the carrying value of the loan. As of March 31, 2002, the carrying amount of the convertible bonds was CHF 171,379,000 (US $101,916,000) and the fair value based upon quoted market value was $135,972,000.

Note 10 — Shareholders' Equity:

In June 2001, the Company's shareholders approved a ten-for-one share split for shares traded on the Swiss Exchange, which took effect on August 2, 2001 and was distributed to stockholders of record as of August 1, 2001. ADSs traded on Nasdaq were not affected. As a result, the ratio of ten ADSs to one registered share changed to a new ratio of one ADS to one registered share.

In June 2000, the Company's shareholders approved a two-for-one stock split for shares traded on the Swiss Exchange and ADSs traded on Nasdaq, which took effect on July 5, 2000 and was distributed to stockholders of record as of July 4, 2000.

In June 2000, the authorization for 2 million registered shares previously authorized by the Company's shareholders expired unused, and in June 2000, the Company's shareholders approved an increase of 10 million authorized registered shares for use in acquisitions, mergers and other transactions.

Pursuant to Swiss corporate law, Logitech International S.A. may only pay dividends in Swiss francs. The payment of dividends is limited to certain amounts of unappropriated retained earnings (approximately $84 million at March 31, 2002) and is subject to shareholder approval. The Company has not paid any dividends since inception and does not intend to pay any cash dividends in the future.

Under Swiss corporate law, a minimum of 5% of the Company's annual net income must be retained in a legal reserve until this reserve equals 20% of the Company's issued and outstanding aggregate par value share capital. Certain other countries in which the Company operates apply similar laws. These legal reserves represent an appropriation of retained earnings that are not available for distribution and approximated $6.7 million at March 31, 2002.

Note 11 — Employee Benefit Plans:

Stock Compensation Plans

Employee Share Purchase Plans

Under the 1989 and 1996 Employee Share Purchase Plans, eligible employees may purchase registered shares at the lower of 85% of the fair market value at the beginning or the end of each six-month offering period. Subject to continued participation in these plans, purchase agreements are automatically executed at the end of each offering period.

Stock Option Plans

Under the 1988 Stock Option Plan, options to purchase registered shares were granted to employees and consultants at exercise prices ranging from zero to amounts in excess of the fair market value of the registered shares on the date of grant. The terms and conditions with respect to options granted were determined by the Board of Directors who administered this plan. Options generally vest over four years and remain outstanding for periods not exceeding ten years. Further grants may not be made under this plan.

Under the 1996 Stock Option Plan, options for registered shares may be granted to employees at exercise prices of not less than 100% of the fair market value of the registered shares on the date of grant. A total of 12,000,000 registered shares may be issued under this plan. Options generally vest over four years and remain outstanding for periods not exceeding ten years.

The Company also maintains one other option plan for a small number of Asian executives, under which options were granted at exercise prices discounted from fair market value of the registered shares on the date of grant. No further stock options may be granted under this plan. At March 31, 2002, 274,800 options had been granted with 100,567 options outstanding under this plan.

Compensation expense is recognized over the vesting period when the exercise price of an option is less than the fair market value of the underlying stock on the date of grant. Compensation expense of $196,441, $437,000 and $422,000 was recorded for the years ended March 31, 2002, 2001 and 2000. Such amounts are accrued as a liability when the expense is recognized and subsequently credited to additional paid-in capital upon exercise of the related stock option. Compensation expense arising from stock options outstanding at March 31, 2002 to be recognized in future periods was $110,602.

A summary of activity under the stock option plans, including weighted average exercise price, is as follows:

	Year ended March 31,					
	2002		2001		2000	
	Number	Exercise Price	Number	Exercise Price	Number	Exercise Price
Outstanding, beginning of year	7,846,660	$ 12	7,705,540	$ 6	8,560,020	$ 5
Granted	2,355,375	$ 27	2,112,180	$ 29	2,340,600	$ 9
Exercised	(1,998,981)	$ 7	(1,547,290)	$ 5	(2,295,500)	$ 4
Cancelled or expired	(415,104)	$ 15	(423,770)	$ 13	(899,580)	$ 6
Outstanding, end of year	7,787,950	$ 17	7,846,660	$ 12	7,705,540	$ 6
Exercisable, end of year	2,796,675	$ 9	2,450,770	$ 5	1,869,840	$ 5

The following table summarizes information regarding stock options outstanding at March 31, 2002:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Number	Weighted Average Exercise Price
$ 0 - $ 5	2,121,944	$ 4	6.34	1,450,422	$ 4
$ 6 - $ 21	2,252,242	$ 11	7.92	899,798	$ 7
$ 22 - $ 26	848,875	$ 24	8.77	50,063	$ 24
$ 27 - $ 33	2,106,877	$ 30	8.77	315,012	$ 29
$ 34 - $ 48	458,012	$ 36	8.81	81,380	$ 34
$ 0 - $ 48	7,787,950	$ 17	7.87	2,796,675	$ 9

Pro Forma Stock Compensation Disclosure

The Company applies the provisions of APB 25 and related interpretations in accounting for compensation expense under the purchase plans and the stock option plans. If compensation expense under these plans had been determined pursuant to SFAS 123, the Company's net income and net income per share would have been as follows:

	Year ended March 31,		
	2002	2001	2000
	(in thousands, except per share data)		
Pro forma net income	$ 55,576	$ 31,353	$ 23,584
Pro forma basic net income per share	$ 1.24	$ .74	$ .59
Pro forma diluted net income per share	$ 1.12	$ .67	$ .54

The fair value of the grants under the purchase plans and stock option plans was estimated using the Black-Scholes valuation model with the following assumptions and values:

	Year ended March 31,					
	Purchase Plans			Stock Option Plans		
	2002	2001	2000	2002	2001	2000
Dividend yield	0	0	0	0	0	0
Expected life	6 months	6 months	6 months	2.9 years	2.7 years	2.5 years
Expected volatility	67%	70%	50%	69%	66%	55%
Risk-free interest rate	3.625%	4.25%	6.5%	3.625%	4.25%	6.5%
Weighted average fair value of grant	$9.20	$9.00	$1.90	$24.12	$13.80	$3.15

The above pro forma amounts include compensation expense based on the fair value of options vesting during the years ended March 31, 2002, 2001 and 2000. As provided by SFAS 123, these calculations exclude the effects of options granted prior to April 1, 1996 when SFAS 123 became effective. Accordingly, these amounts are not representative of the effects of computing stock option compensation expense using the fair value method for future periods.

In 2002 and 2001, the Company granted 600 and 5,400 shares of stock at no cost to advisors of the Company. The grant date fair value of the 2002 and 2001 stock grants was $32.18 per share and $33.52 per share.

Pension Plans

Defined Contribution Plans

Certain of the Company's subsidiaries have defined contribution employee benefit plans covering all or a portion of their employees. Contributions to these plans are discretionary for certain plans and are based on specified or statutory requirements for others. The charges to expense for these plans for the years ended March 31, 2002, 2001 and 2000, were $2,707,000, $1,275,000 and $1,214,000.

Defined Benefit Plan

One of the Company's subsidiaries sponsors a noncontributory defined benefit pension plan covering substantially all of its employees. Retirement benefits are provided based on employees' years of service and earnings. The Company's practice is to fund amounts sufficient to meet the requirements set forth in the applicable employee benefit and tax regulations.

Net pension costs for the years ended March 31, 2002, 2001 and 2000 were $321,000, $193,000 and $340,000. The plan's net pension liability at March 31, 2002 and 2001 was $530,000 and $375,000.

Note 12 — Income Taxes:

The Company is incorporated in Switzerland but operates in various countries with differing tax laws and rates. Further, a portion of the Company's income before taxes and the provision for income taxes are generated outside of Switzerland. The portion of the Company's income before taxes for fiscal year 2002, 2001 and 2000 that is subject to foreign income taxes was $40.8 million, $29.9 mllion and $20.6 million. Consequently, the weighted average expected tax rate may vary from period to period to reflect the generation of taxable income in different tax jurisdictions.

The provision for income taxes consists of the following:

	YEAR ENDED MARCH 31,		
	2002	2001	2000
		(IN THOUSANDS)	
Current:			
Swiss	$ 1,900	$ 852	$ 986
Foreign	18,407	10,641	6,549
Deferred:			
Swiss	-	-	-
Foreign	(1,568)	593	(24)
Total	$ 18,739	$ 12,086	$ 7,511

Deferred income tax assets and liabilities consist of the following:

	MARCH 31,	
	2002	2001
	(IN THOUSANDS)	
Net operating loss carryforwards	$ 25,161	$ 10,613
Research and development and other tax credit carryforwards	6,275	6,307
Accruals	18,600	20,556
Depreciation and amortization	1,237	-
Other	268	1,014
Gross deferred tax assets	51,541	38,490
Depreciation and amortization	-	(1,204)
Unrealized loss (gain) on available-for-sale securities	176	(520)
Deferred tax liabilities related to intangible assets	(5,315)	(4,889)
Deferred tax liabilities	(5,139)	(6,613)
Valuation allowance	(37,303)	(24,346)
Net deferred tax assets	$ 9,099	$ 7,531

Management regularly assesses the ability to realize deferred tax assets recorded in the Company's subsidiaries based upon the weight of available evidence, including such factors as the recent earnings history and expected future taxable income. The methodology used by management to determine the amount of deferred tax assets that are likely to be realized is based upon the Company's recent earnings and estimated future taxable income in applicable tax jurisdictions for approximately the next two years. Management believes that it is more likely than not that the Company will not realize a portion of its deferred tax assets and, accordingly, a valuation allowance of $37.3 million has been established for such amounts at March 31, 2002. In the event future taxable income is below management's estimates or is generated in tax jurisdictions different than projected, the Company could be required to increase the valuation allowance for deferred tax assets. This would result in an increase in the Company's effective tax rate.

At March 31, 2002, the Company's foreign net operating loss and tax credit carryforwards for income tax purposes were approximately $71.4 million and $6.2 million, respectively. If not utilized, these carryforwards will expire through 2022.

Deferred tax assets of approximately $19 million at March 31, 2002 pertain to certain tax credits and net operating loss carryforwards resulting from the exercise of employee stock options. When recognized, through generating sufficient taxable income to utilize the NOL deductions, the tax benefit of these credits and losses will be accounted for as a credit to shareholders' equity rather than as a reduction of the income tax provision.

The difference between the provision for income taxes and the expected tax provision at the weighted average tax rate is reconciled below. The expected tax provision at the weighted average rate is generally calculated using pre-tax accounting income or loss in each country multiplied by that country's applicable statutory tax rates.

	Year ended March 31,		
	2002	2001	2000
		(In thousands)	
Expected tax provision at weighted average rate	$ 20,144	$ 12,665	$ 8,638
Non-deductible purchased in-process R&D	-	655	-
Decrease in valuation allowance	(1,155)	(1,380)	(1,986)
Other	(250)	146	859
Total provision for income taxes	$ 18,739	$ 12,086	$ 7,511

Note 13 — Derivative Financial Instruments - Foreign Exchange Hedging:

In April 2001, the Company adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended by SFAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities." These standards require the Company to measure derivatives at fair value and recognize them as assets or liabilities on the balance sheet. The Company enters into forward foreign exchange contracts (cash flow hedges) to hedge against exposure to changes in foreign currency exchange rates related to forecasted inventory purchases by subsidiaries. Hedging contracts generally mature within three months. Gains and losses in the fair value of the effective portion of the contracts are deferred as a component of accumulated other comprehensive income until the hedged inventory purchases are sold, at which time the gains or losses are reclassified to cost of goods sold. If the underlying transaction being hedged fails to occur or if a portion of the hedge is ineffective, the Company immediately recognizes the gain or loss on the associated financial instrument in other income (expense). The Company did not record any gains or losses due to hedge ineffectiveness during fiscal 2002.

The notional amount of foreign exchange contracts outstanding at March 31, 2002 was $7 million. There were no contracts outstanding at March 31, 2001. The notional amount represents the future cash flows under contracts to purchase foreign currencies. Deferred realized gains, net of deferred realized losses, totaled $.2 million at March 31, 2002 and is expected to be classified into cost of goods sold within two months. Realized net gains and losses classified to cost of goods sold during the year ended March 31, 2002 was $.3 million.

Note 14 — Commitments and Contingencies:

The Company leases facilities under operating leases, certain of which require it to pay property taxes, insurance and maintenance costs. Operating leases for facilities are generally renewable at the Company's option and usually include escalation clauses linked to inflation. Future minimum annual rentals at March 31, 2002 are as follows (in thousands):

Year ending March 31,	
2003	$ 5,776
2004	3,900
2005	3,219
2006	3,273
2007 and thereafter	770
	$ 16,938

Rent expense was $5.2 million, $3.2 million and $1.9 million during the years ended March 31, 2002, 2001 and 2000.

At March 31, 2002, the Company had approximately $60.8 million in non-cancelable purchase commitments with suppliers for inventory. Fixed commitments for capital and other expenditures, primarily for manufacturing equipment, approximated $3.8 million.

In December 1996, the Company was advised of the intention to begin implementing a value added tax ("VAT") on goods manufactured in certain parts of China since July 1995, including where the Company's operations are located, and intended for export. In January 1999, the Company was advised that the VAT would not be applied to goods manufactured during calendar 1999 and subsequent years. With respect to prior years, the Company is in ongoing discussions with Chinese officials and has been assured that, notwithstanding statements made by tax authorities, the VAT for these prior periods would not be charged to the Company. The Company believes the ultimate resolution of this matter will not have a material adverse effect on the Company's financial position, cash flows or results of operations.

The Company is involved in a number of lawsuits relating to patent infringement and intellectual property rights. The Company believes the lawsuits are without merit and intends to defend against them vigorously. However, there can be no assurances that the defense of any of these actions will be successful, or that any judgment in any of these lawsuits would not have a material adverse impact on the Company's business, financial condition and result of operations.

Note 15 — Interest and Other Income:

	Year ended March 31,		
	2002	2001	2000
		(In thousands)	
Interest income	$ 1,688	$ 1,175	$ 796
Interest expense	(3,644)	(1,323)	(959)
Interest expense, net	$ (1,956)	$ (148)	$ (163)
Gain on sale of building	$ -	$ 1,922	$ -
Foreign currency exchange gains, net	2	20	899
Gain on sale of investments	1,115	1,296	1,525
Equity in net losses of affiliated companies	(2,476)	(670)	(3,584)
Write-off of investments	(1,220)	(50)	(2,000)
Insurance proceed	576	-	-
Other, net	436	110	(92)
Other income (expense), net	$ (1,567)	$ 2,628	$ (3,252)

Note 16 — Geographic Information:

The Company operates in one business segment, which is the design, development, production, marketing and support of computer interface devices. Geographic net sales information in the table below are based on the location of the selling entity. Long-lived assets, primarily fixed assets, unamortized intangibles, and investments are reported below based on the location of the asset.

Net sales to unaffiliated customers by geographic region were as follows:

	Year ended March 31,		
	2002	2001	2000
		(In thousands)	
Europe	$ 413,348	$ 334,414	$ 257,920
North America	389,949	278,935	232,984
Asia Pacific	140,249	122,200	101,192
Net sales	$ 943,546	$ 735,549	$ 592,096

Long-lived assets by geographic region were as follows:

	March 31,	
	2002	2001
	(In thousands)	
Europe	$ 38,944	$ 37,701
North America	111,846	112,945
Asia Pacific	12,081	19,424
Total long-lived assets	$ 162,871	$ 170,070

Note 17 — Other Disclosures Required by Relevant Swiss Law:

Balance Sheet Items

	March 31,	
	2002	2001
	(In thousands)	
Prepayments and accrued income	$ 7,539	$ 5,524
Non-current assets	$ 162,930	$ 175,023
Pension liabilities, current	$ 127	$ 218
Fire insurance value of property, plant, and equipment	$ 219,409	$ 162,166

Statement of Income Items

Total personnel expenses amounted to $79.3 million, $64.1 million and $60.3 million in 2002, 2001 and 2000.

LOGITECH INTERNATIONAL S.A.
QUARTERLY SUMMARY (Unaudited)

	THREE MONTHS ENDED,							
	MAR. 31, 2002	DEC. 31, 2001	SEPT. 30, 2001	JUNE 30, 2001	MAR. 31, 2001	DEC. 31, 2000	SEPT. 30, 2000	JUNE 30, 2000
	(IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)							
Net sales (3)	$ 256.0	$ 299.1	$ 217.6	$ 170.9	$ 190.4	$ 224.6	$ 183.8	$ 136.8
Gross profit	87.4	103.8	70.7	53.6	60.2	72.9	57.5	42.7
Operating expenses:								
Marketing and selling (3)	32.1	39.2	32.1	26.7	25.7	29.5	28.1	21.8
Research and development	16.6	12.4	11.1	10.4	9.9	9.5	8.8	8.5
General and administrative	10.6	10.0	8.8	8.3	8.2	8.4	8.6	8.3
Purchased in-process R&D (1)	-	-	-	-	3.3	-	-	-
Total	$ 59.3	$ 61.6	$ 52.0	$ 45.4	$ 47.1	$ 47.4	$ 45.5	$ 38.6
Operating income	28.1	42.2	18.7	8.2	13.1	25.5	12.0	4.1
Net income	$ 21.5	$ 33.2	$ 13.9	$ 6.3	$ 10.8	$ 19.9	$ 9.4	$ 5.0
Shares used to compute net income per share and ADS (2) (in thousands):								
Basic	45,511	44,782	44,892	44,532	42,848	42,425	42,087	41,531
Diluted	52,422	51,291	51,281	48,446	47,095	46,984	47,142	46,808
Net income per share and ADS (2):								
Basic	$ .47	$ .74	$ .31	$ .14	$ .25	$ .47	$ .22	$ .12
Diluted	$ .42	$ .66	$ .28	$ .13	$ .23	$ .42	$ .20	$ .11

(1) In connection with the acquisition of Labtec Inc., the Company recorded a one-time charge of approximately $3.3 million for purchased in-process research and development.

(2) Logitech completed a two-for-one stock split in July 2000 and a ten-for-one stock split in August 2001. All references to share and per share data for all periods presented have been adjusted to give effect to the stock split.

(3) Effective January 1, 2002, the Company adopted Emerging Issues Task Force Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products". This required the reclassification of certain channel marketing expenses from marketing and selling expenses to a deduction from sales. The reclassifications decreased net sales and marketing and selling expenses by the same amount. The reclassifications did not impact operating income, net income or earnings per share. All prior quarters were reclassified to reflect the adoption of the EITF provisions.

The following table sets forth certain quarterly financial information as a percentage of net sales:

	THREE MONTHS ENDED,							
	MAR. 31, 2002	DEC. 31, 2001	SEPT. 30, 2001	JUNE 30, 2001	MAR. 31, 2001	DEC. 31, 2000	SEPT. 30, 2000	JUNE 30, 2000
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	34.2	34.7	32.5	31.3	31.7	32.5	31.3	31.2
Operating expenses:								
Marketing and selling	12.6	13.1	14.7	15.6	13.5	13.1	15.3	16.0
Research and development	6.5	4.1	5.1	6.1	5.2	4.2	4.8	6.2
General and administrative	4.1	3.4	4.1	4.8	4.3	3.8	4.6	6.0
Purchased in-process R&D	-	-	-	-	1.8	-	-	-
Total	23.2	20.6	23.9	26.6	24.8	21.1	24.7	28.2
Operating income	11.0	14.1	8.6	4.8	6.9	11.4	6.5	3.0
Net income	8.4%	11.1%	6.4%	3.7%	5.7%	8.9%	5.1%	3.6%

Report of the Group Auditors
to the General Meeting
of Logitech International S.A.

PRICEWATERHOUSECOOPERS

As group auditors, we have audited the consolidated financial statements of Logitech International S.A. and its subsidiaries, consisting of the consolidated balance sheets at March 31, 2002 and 2001, the consolidated statements of income, of cash flows and of changes in shareholders' equity for the years ended March 31, 2002, 2001 and 2000, and the notes to the consolidated financial statements.

These consolidated financial statements are the responsibility of the Board of Directors of Logitech International S.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the Swiss legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession in Switzerland and those generally accepted in the United States of America, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Logitech International S.A. and its subsidiaries at March 31, 2002 and 2001 and the results of operations and cash flows for the years ended March 31, 2002, 2001 and 2000 in accordance with accounting principles generally accepted in the United States of America and comply with the relevant Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

M. Foley M. Perry

Lausanne, Switzerland
April 19, 2002

OUR CORPORATE GOVERNANCE

As a Company whose shares are traded both on the Swiss Stock Exchanges and on the NASDAQ national market system, Logitech's commitment to corporate governance practices is guided by the legal and regulatory requirements of both Switzerland and the United States. In addition, Logitech's internal guidelines regarding corporate governance are provided in the Company's Articles of Incorporation, Organizational Regulations, and Board Committee Charters. The current role of the Board and its Committees is outlined in the following pages. The Company also relies on its business ethics and conflict of interest policies as well as its outside auditors and outside legal counsel to contribute to its overall Corporate Governance.

Role of the Board of Directors

The Board of Directors is elected by the shareholders and holds the ultimate decision making authority of the Company, except for those matters reserved by law or by the Company's Articles of Incorporation to its shareholders. Decisions are taken by the Board as a whole.

The Company's Articles of Incorporation set the minimum number of directors at three. The Company has eight directors as of May 1, 2002. Directors are elected by the shareholders at a shareholders meeting for a term of three years. The Board has appointed executive officers to manage the day-to-day activities of the Company.

The Functioning of the Board

Logitech's Board of Directors is responsible for supervising the management of the business and affairs of the Company. In particular, the primary functions of the Board are:

- setting strategic direction of the Company;
- overseeing the Company's financial accounting, controls, planning and reporting;
- reviewing the performance of the Chief Executive Officer and other executive officers of the Company; and
- ensuring that the Company remains in compliance with applicable laws, the Articles or Incorporation and guidance from the Board.

The agenda for Board meetings is set by the Chairman and the Chief Executive Officer. Any member of the Board may request that a meeting of the Board be convened. The Directors receive materials in advance of Board meetings allowing them to prepare for the handling of the items on the agenda. The Chairman and Chief Executive Officer recommends members of senior management who, at the invitation of the Board, attend Board meetings to report on areas of the business within their responsibility, thereby ensuring that the Board has sufficient information to make appropriate decisions.

During fiscal 2002, the Board met four times. All of our directors attended all of the regularly scheduled and special meetings of the Board and Board Committees on which they served in 2002. The following table sets forth certain information concerning our Board of Directors:

Name	Position	Year First Appointed	Year Current Term Expires
Daniel Borel	Chairman of the Board	1988	Annual General Meeting 2004
Guerrino De Luca	President and Chief Executive Officer, Director	1998	Annual General Meeting 2004
Pier Carlo Falotti	Director	1996	Annual General Meeting 2002
Jean-Louis Gassée	Director	1993	Annual General Meeting 2002
Frank Gill (1)	Director	1999	Annual General Meeting 2002
Kee-Lock Chua	Director	2000	Annual General Meeting 2003
Ron Croen	Director	2001	Annual General Meeting 2004
Peter Pfluger	Director	2001	Annual General Meeting 2004
Michael Moone	Director-Elect	(1)	

(1) Mr.Gill and Mr. Moone are being presented for election to the Board of Directors in June 2002.

During the last several years, Jean-Louis Gassee and Pier Carlo Falotti have contributed significantly to the Board, bringing tremendous business expertise, as well as a deep understanding of the PC market. Their terms having come to an end, they have each decided for their own personal reasons not to renew their membership in the Board. Logitech would like to thank each of them for their many contributions to Logitech over the years.

There are no agreements providing for the payment of any consideration to any non-executive Board member upon termination of his services with the Company.

Board Committees

The Board has standing Audit and Compensation Committees to assist the Board in carrying out its duties. Each of these committees has a written charter approved by the Board. The meeting agendas of the Board Committees are determined by their chairs. The Board Committee members receive materials in advance of Committee meetings allowing them to prepare for the handling of the items on the agenda.

Audit Committee

The Audit Committee assists the Board in monitoring the Company's financial accounting, controls, planning and reporting. Among its duties, the Audit Committee:

- reviews the adequacy of the Company's internal controls;
- reviews the independence, fee arrangements, audit scope, and performance of the Company's independent auditors, and recommends the appointment or replacement of independent auditors to the Board of Directors;
- reviews, before release, the quarterly results and interim financial data; and
- reviews, before release, the audited financial statements and Operating And Financial Review And Prospects contained in the Company's Annual Report on Form 20-F.

In fiscal 2002, the Audit Committee was composed of Pier Carlo Falotti, Kee-Lock Chua, Peter Pfluger, and Frank Gill. The Board has determined that each member of the audit committee meets the independence requirements of the Nasdaq National Market listing standards. The Audit Committee met five times in fiscal 2002.

Compensation Committee

The Compensation Committee reviews and recommends to the Board for approval the compensation of Company executives. In fiscal 2002, the Compensation Committee consisted of Jean-Louis Gassée, Ronald Croen and Frank Gill. The Committee met once during the year and each month considers for approval option grants to Company employees by written consent.

In addition, a committee of the Board exists to determine the compensation of the members of the Board. This committee consists of the Chairman of the Board and one additional Board member.

Share and Option Ownership

The following table presents information regarding the share and option ownership of our registered shares, including shares represented by American Depositary Receipts, as of May 1, 2002 by our non-employee directors and executive officers as a group:

Name	Shares Owned	% of Outstanding (1)	Options Held (2)	Exercise Price per Share	Expiration Year
All non-employee directors as a group (6 individuals)...........	10,300	0.02%	220,000	$4.04 to $33.70	2006 - 2011
All executive officers as a group (10 individuals).................	3,291,326	6.90%	2,558,017	$2.35 to $34.00	2008 - 2012

1. Percentage ownership is calculated based on 47,901,655 registered shares outstanding as of May 1, 2002.
2. Options for shares were granted under stock option plans to purchase registered shares, including shares

represented by ADSs. Exercise prices per registered share are generally equal to the fair market value of registered shares on the date of grant. Options generally vest over four years and remain outstanding for periods not exceeding ten years.

Compensation

Compensation of Directors

Non-employee directors received an aggregate cash compensation in 2002 of $99,264. Each non-executive director receives options for 20,000 of the Company's registered shares on their appointment and 10,000 shares upon their re-appointment to the Board of Directors. These options become exercisable over 3 years in equal annual increments. In addition, non-executive directors are paid an annual retainer of $20,000, and receive $1,500 for each board or committee meeting attended. All directors are reimbursed for expenses in connection with attendance at Board and Committee meetings.

Directors who are also employees of the Company do not receive any compensation for their service on the Board of Directors.

Conflicts of Interest

The Company believes that no director or officer benefits from any contract between Logitech and a third party.

Logitech's General Compensation Policy

Logitech has designed its compensation programs to attract, develop, retain and motivate the high caliber of executives, managers and staff that is critical to the long-term success of its business. The Company's compensation package is composed of a base salary that is competitive to comparable companies in the industry and region, quarterly and annual cash incentive awards that are based on company performance, and long-term incentive awards that are comprised of stock options.

Equity Compensation Plans

Logitech believes equity compensation is an important part of attracting and retaining high-calibre employees and to align the interests of management and the directors of the Company with the interests of the shareholders. Accordingly, Logitech maintains stock purchase and stock option plans for its employees.

Under the 1996 Employee Share Purchase Plan, eligible employees may purchase registered shares at the lower of 85% of the fair market value at the beginning or the end of each six-month offering period. Subject to continued participation in these plans, purchase agreements are automatically exercised at the end of each offering period.

Under the 1988 Stock Option Plan, options to purchase registered shares were granted to employees and consultants at exercise prices ranging from zero to amounts in excess of the fair market value of the registered shares on the date of grant. The terms and conditions with respect to options granted were determined by the Board of Directors who administered the this plan. Options generally vest over four years and remain outstanding for periods not exceeding ten years. Further grants may not be made under this plan.

Under the 1996 Stock Option Plan, options for registered shares may be granted to employees at exercise prices of not less than 100% of the fair market value of the registered shares on the date of grant. A total of 12,000,000 registered shares may be issued under this plan. Options generally vest over four years and remain outstanding for periods not exceeding ten years.

The Company also maintains one other option plan, for a small number of Asian executives, under which options were granted at exercise prices discounted from fair market value of the registered shares on the date of grant. No further stock options may be granted under this plan.

As of May 1, 2002, there were a total of 7,738,227 registered shares subject to outstanding options granted under all plans. Of these options, 3,108,472 were exercisable, with the balance subject to continued vesting over time.

Compensation of Management

The following table sets forth the compensation we paid to non-employee directors and executive officers in all capacities for the year ended March 31, 2002. The options granted and exercise prices in the table below are expressed as registered shares.

	Annual Compensation		Options	Exercise	Expiration	Other
Name of Group	Salary	Bonus	Granted	Price	Year	Compensation (1)
All non-employee directors as a group (6 individuals)...........	$99,264	–	40,000	$32.18 to $33.70	2011	–
All executive officers as a group (10 individuals) (2)...........	$2,450,300	$1,030,432	670,000	$19.22 to $31.60	2011-2012	$144,718

(1) Amounts shown represent relocation costs, matching contributions under the Company's 401K plan and the Company's contributions under its foreign pension plan.

(2) Includes the compensation of Mr. David Henry for a partial year.

Senior Management

The executive officers of the Company as of May 1, 2002 are as follows:

Name	Age	Position
Daniel Borel	52	Chairman of the Board
Guerrino De Luca	49	President and Chief Executive Officer, Director
Erh-Hsun Chang	53	Sr. Vice President, Operations and General Manager, Far East
Wolfgang Hausen	59	President and Chief Executive Officer, 3Dconnexion
David Henry	45	Sr. Vice President, Control Devices
Ted Hoff	60	Vice President, Interactive Entertainment
Junien Labrousse	44	Sr. Vice President, Video
Kristen Onken	52	Sr. Vice President, Finance, and Chief Financial Officer
Marcel Stolk	35	Sr. Vice President, Worldwide Sales and Marketing
Robert Wick	39	Sr. Vice President, Audio

Logitech's Auditors

The firm of PricewaterhouseCoopers has been the Company's auditors since 1988. In accordance with both Swiss and SEC regulations, the audit partner is rotated every seven years.

In the fiscal year 2002, the Company paid PricewaterhouseCoopers approximately $.5 million for professional services rendered in connection with the audits of the Company's annual financial statements. The Company paid PricewaterhouseCoopers approximately $1.3 million for all other professional services rendered including tax services, accounting and due diligence services, and other accounting and auditing services.

Logitech's Directors and Executive Officers

Daniel Borel, a founder of the Company, has been the Chairman of the Board since May 1988. From July 1992 to February 1998, Mr. Borel also served as Chief Executive Officer of the Company. He has held various other executive positions with the Company and its predecessors since their founding. Mr. Borel also serves as a director of Phonak Hearing Systems, S.A., a hearing aid device company and Bank Julius Baer, a Swiss bank. Mr. Borel holds an M.S. degree in Computer Science from Stanford University and a degree in Physics from the Ecole Polytechnique Fédérale, Lausanne, Switzerland.

Guerrino De Luca joined the Company as President and Chief Executive Officer in February 1998, and became a member of the Board of Directors in June 1998. Prior to that time, Mr. De Luca served as Executive Vice President of Worldwide Marketing for Apple Computer, Inc., a personal computer company, from February 1997 to September 1997, and as President of Claris Corporation, a personal computing software vendor, from February 1995 to February 1997. Prior to this, Mr. De Luca held various positions with Apple in the United States and Europe. Mr. De Luca holds a B.S. degree in Electronic Engineering from the University of Rome, Italy.

Erh-Hsun Chang joined the Company as Vice President, General Manager, Far Eastern Area and Worldwide Operations in December 1995. In April 1997, Mr. Chang was named Senior Vice President, General Manager, Far Eastern Area and Worldwide Operations. During 1986 and 1987, Mr. Chang held various other positions with the Company. From January 1994 to December 1995, Mr. Chang was Vice President, Sales and Marketing, Power Supply Division, of Taiwan Liton Electronics Ltd., and from December 1991 to January 1994, Mr. Chang was Vice President, Manufacturing Consulting at KPMG Peat Marwick. Mr. Chang holds a B.S. degree in Civil Engineering from Chung Yuang University, Taiwan, an M.B.A. from the University of Dallas, and an MS in Industrial Engineering from Texas A&M University.

Wolfgang Hausen has been President and Chief Executive Officer of 3Dconnexion since June 2001. From 1997 to 2001, Mr. Hausen served as Senior Vice President and General Manager, Control Devices Business Division of the Company. From May 1994 to July 1997, Mr. Hausen served as President and Chief Executive Officer of Cardinal Technologies, Inc., a PC multimedia and modem company. From March 1989 to December 1993, Mr. Hausen was Vice President and General Manager of Quantum Corporation, a global supplier of storage products. Mr. Hausen holds an M.S.E.E. from the Technical University of Darmstadt, Germany and an MBA from Santa Clara University, California.

David Henry joined the company as Senior Vice President and General Manager, Control Devices Business Division of the Company in August 2001. Prior to that time, Mr. Henry served as Vice President of Product Management and Business Development of Xigo Inc. from January 2000. From October 1997 to January 2000, Mr. Henry was Vice President and General Manager of Magnetic Products with Iomega. Mr. Henry holds a B.S.M.E. from Union College of Schenectady, New York.

Ted Hoff joined the Company as Vice President, Interactive Entertainment in June 2000. From October 1999 through May 2000, Mr. Hoff was Executive Vice President and Chief Operating Officer of Tranz-Send Broadcasting Network, Inc. Before joining Tranz-Send, Mr. Hoff served as Executive Vice President of Sales and Marketing for RQ Interactive and currently serves on its Board of Directors. From April 1996 to August 1998, Mr. Hoff served as Executive Vice President of Sega of America. Previously, Mr. Hoff held senior executive positions with Atari Corporation, Time Warner and Twentieth Century Fox. Mr. Hoff holds a B.S. degree in Marketing from the University of San Francisco.

Junien Labrousse joined the Company as Vice President, Video Division in 1997. He was named Senior Vice President, Video Division in April, 2001. Prior to joining Logitech, he was Vice President of Engineering from 1995 at Winnov LP, a company engaged in the development and marketing of multimedia products. For over 10 years he held several engineering and management positions at Philips Electronics, NV in research and in the semiconductor business division. Mr Labrousse holds a M.S.E.E. degree from the Ecole Superieure d'Ingenieurs de Marseille, France and an M.B.A. from Santa Clara University, California.

Kristen Onken joined the Company as Senior Vice President, Finance, and Chief Financial Officer in February 1999. From September 1996 to February 1999, Ms. Onken served as Vice President of Finance at Fujitsu PC Corporation. From 1991 to September 1996, Ms. Onken was employed by Sun Microsystems, Inc. first as Controller of the Southwest Area; then from 1992 to 1996 she served as Director of Finance, Sun Professional Services. Ms. Onken holds a B.S. degree from Southern Illinois University and an MBA in Finance from the University of Chicago, Illinois.

Marcel Stolk assumed the responsibility of Senior Vice President, Worldwide Sales and Marketing in March 2001. Mr. Stolk has been with the Company for over 10 years and has held a number of positions within the sales and marketing functions, the latest of which was General Manager, Europe. Before joining Logitech, Mr. Stolk held various sales and marketing positions at Aashima Technology in Holland.

Robert Wick joined Logitech with the acquisition of Labtec Inc. as Senior Vice President of the Audio division in March 2001, and became Senior Vice President in April 2001. Prior to joining Logitech, Mr. Wick was President of Labtec Inc. since December 1998, and assumed the CEO position in August 1999. Prior to joining Labtec, Mr. Wick spent eight years at Weiser Lock, a division of Masco Corporation, in various management positions including Vice President of

Finance and Logistics. Mr. Wick holds a B.S. degree in Accounting from the University of Arizona and is a Certified Public Accountant. Mr. Wick also serves on the Board of Directors of JTECH Communications, a manufacturer of on-premises paging systems for the hospitality and other service-oriented industries.

Pier Carlo Falotti joined the board in June 1996. He currently serves as a Management Consultant. Mr. Falotti served as Executive Vice President, Operations Europe for Oracle Corporation, from 1996 to 2000. From 1994 to 1996, Mr. Falotti was the Executive VP of International Operations for AT&T, where he also served as President and CEO for Europe, the Middle East and Africa. From 1992 to 1994, Mr. Falotti served as President and CEO of the ASK Group. From 1969 to 1992, Mr. Falotti was with Digital Equipment Corporation, serving as President and CEO of Digital Europe, Middle East and Africa from 1983. Mr. Falotti holds a degree in Electrical Engineering from the Institute Avogadro, Torino, Italy.

Jean-Louis Gassée has been a director of Logitech International S.A. since June 1993. In January 2002, Mr. Gassée joined Computer Access Technology Corporation as President and CEO. He has served as a member of the Board of Directors of this company since September 2000. From October 1990 until December 2001, Mr. Gassée served as Chief Executive Officer of Be Inc. Before founding Be, Mr. Gassée held various executive positions with Apple Computer, Inc. during the period December 1980 to September 1990, including President of the Apple Products Division. He currently serves on the boards of Be Inc., Electronics For Imaging Inc. and 3Com Corporation. Mr. Gassée holds an M.S. degree from the Université de Paris.

Frank Gill has been a director since June 1999. Mr. Gill served in a variety of positions in sales and marketing, product development and manufacturing operations at Intel Corporation from 1975 until his retirement in June 1998, including Executive Vice President in 1996, General Manager of the Internet and Communications Group from 1995 and from 1990 through 1994, General Manager of Intel's Systems Group. He currently serves on the Boards of Tektronix Inc., Inktomi Corporation, Niku Corporation, ITXC Corporation and Pixelworks Inc. Mr. Gill holds a B.S. degree in Electrical Engineering from the University of California, Davis.

Kee-Lock Chua has been a director since June 2000. Mr. Chua joined NatSteel Ltd. as Deputy President in June 2001. From October 2000 until June 2001, Mr. Chua was the president and C.E.O. of Intraco. Prior to joining Intraco, Mr. Chua was the president of MediaRing.com. Mr. Chua was appointed as a Director of MediaRing.com in October 1997. Prior to joining MediaRing.com, Mr. Chua was employed by NatSteel Ltd., most recently as Executive Vice President, responsible for the commercial group, production planning, strategic planning and several overseas operations. Mr. Chua was also a director of NatSteel Electronics Ltd. and NatSteel Broadway Ltd.; both of which companies are involved in contract manufacturing and are listed in the Singapore Stock Exchange. Prior to joining NatSteel Ltd., Mr. Chua worked for Transpac Capital, where he served as Vice President, in charge of direct investments into companies in the United States. Mr. Chua holds a BS degree in Mechanical Engineering from the University of Wisconsin, and a M.S. degree from Stanford University.

Ronald Croen has been a director since June 2001. Mr. Croen, a co-founder of Nuance Communications Inc., has served as the President of Nuance since July 1994, as its Chief Executive Officer since October 1995 and as one its directors since October 1995. From 1993 to 1994, Mr. Croen served as a consultant to SRI International. From 1989 to 1993, Mr. Croen was an independent management consultant in Paris, France. Prior to this, Mr. Croen served in various positions at The Ultimate Corp., including Managing Director of European Operations and Vice President and General Counsel. Mr. Croen holds a J.D. degree from the University of Pennsylvania Law School and a B.A. from Tufts University.

Peter Pfluger has been a director since June 2001. From April 2000 to April 2002, Mr. Pfluger served as Chief Executive Officer and Head of the Group Executive Management of the Phonak Group. He also served as Chief Operating Officer of Phonak from 1997 to 2000. Before joining Phonak, Mr. Pfluger was Managing Director of Centre Suisse d'Electronique et de Microtechnique, Neuchatel. Before joining the Centre Suisse, he was involved in various research activities, most notably IBM Research Laboratory in San Jose, California. Mr. Pfluger has a Master degree from the Swiss Federal Institute of Technology and a Ph.D. in Natural Science from Basle University. Mr. Pfluger is active within the Commission for Technology and Innovation (CTI) of the Swiss Ministry of Public Economy.

Michael J. Moone is being presented to the shareholders for election to the Board of Directors in June 2002. Since March 2002, Mr. Moone has served as the President, Chief Executive Officer and a member of the Board of Directors of Alloptic, Inc. In addition, since February 2002, Mr. Moone has served as Vice Chairman of Pico Communications. From

January 2001 until January 2002, Mr. Moone served as Chief Operating Officer of Harmonic Inc. From January 2000 to January 2001, Mr. Moone was Group Vice President and General Manager of the Consumer Line of Business at Cisco Systems, Inc. From March 1999, Mr. Moone served as President, Chief Executive Officer and a member of the Board of Directors of V-Bits Inc., until its acquisition by Cisco Systems in December 1999. From June 1996 until October 1998, Mr. Moone served as President, Chief Executive Officer and member of the Board of Director of Faroudja Laboratories, Inc. Prior to this time, Mr. Moone held various executive management positions at HealthRider, Merchantec, Atari and Milton Bradley. Mr. Moone holds a B.A. degree from Xavier University.

There are no family relationships among any of our directors or executive officers.

Indemnification of Officers and Directors

The Company has entered into agreements to indemnify its directors and officers. Certain of these agreements are between the respective officer or director and Logitech International S.A., and cover claims brought under U.S. laws to the fullest extent permitted by Swiss law. In addition, the Company's U.S. subsidiary, Logitech Inc., has entered into separate indemnification agreements with the Company's executive officers and directors. The agreements with Logitech Inc. are broader in certain respects than those entered into with Logitech International S.A. These agreements, among other things, indemnify directors and officers for certain expenses (including attorneys fees), judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in the right of the Company, arising out of such person's services as a director or officer of the Company. The Company believes that these provisions and agreements are necessary to attract and retain qualified directors and officers.

At present, there is no pending litigation or proceeding involving any director, officer, employee or agent of the Company as to which indemnification will be required or permitted. The Company is not aware of any threatened litigation or proceeding that might result in a claim for such indemnification.

LOGITECH INTERNATIONAL S.A., APPLES
SWISS STATUTORY BALANCE SHEET (unconsolidated)

(In thousands of Swiss francs)

	March 31, 2002	March 31, 2001
ASSETS		
Current assets:		
Cash	CHF 1,688	CHF 2,233
Short-term bank deposits	118,780	19,030
Dividends receivable	356	371
Accrued interest and other receivables	644	967
Advances to group companies	27,896	96,813
Total current assets	149,364	119,414
Long-term assets:		
Intangible assets	12,985	11,751
Investments in subsidiaries	311,947	82,149
Loans to subsidiaries	185,508	203,165
Provisions on investments in and loans to subsidiaries	(10,267)	(10,267)
Treasury shares	28,515	-
Other investments and loans	24,973	27,045
Provisions on other investments and loans	(15,595)	(9,328)
Total long-term assets	538,066	304,515
Total assets	CHF 687,430	CHF 423,929
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Bank borrowings	CHF -	CHF 60,550
Payables to group companies	9,714	12,550
Accruals and other liabilities	4,680	2,751
Deferred unrealized exchange gains	743	13,063
Total current liabilities	15,137	88,914
Long-term liabilities:		
Payables to group companies	303,720	34,008
Total liabilities	318,857	122,922
Shareholders' equity:		
Share capital	47,902	44,419
Legal reserves:		
General reserve	151,468	142,474
Reserve for treasury shares	28,515	5,967
Unappropriated retained earnings	140,688	108,147
Total shareholders' equity	368,573	301,007
Total liabilities and shareholders' equity	CHF 687,430	CHF 423,929

The accompanying notes are an integral part of these financial statements.

LOGITECH INTERNATIONAL S.A., APPLES
SWISS STATUTORY STATEMENT OF INCOME (unconsolidated)

(In thousands of Swiss francs)

	Year ended March 31, 2002		Year ended March 31, 2001	
Dividend income	CHF	27,772	CHF	33,757
Royalty fees		31,005		22,279
Interest income from third parties		954		394
Interest and guarantee fee income from subsidiaries		10,227		11,861
Realized exchange gains, net of exchange losses		16,633		366
Other		1,896		3,009
		88,487		71,666
Administrative expenses		4,523		2,291
Brand development expenses		20,790		12,425
Amortization of intangibles		6,310		4,856
Interest paid to subsidiaries		11,485		1,354
Bank interest and charges		17		1,330
Income, capital and non-recoverable withholding taxes		1,946		1,423
Provision on investments and other expenses		10,875		1,548
		55,946		25,227
Net income	CHF	32,541	CHF	46,439

The accompanying notes are an integral part of these financial statements.

NOTES TO SWISS STATUTORY FINANCIAL STATEMENTS

Note 1 — Basis of Presentation:

The Swiss statutory financial statements of Logitech International SA ("the Holding Company") are prepared in accordance with Swiss Law. The financial statements present the financial position and results of operations of the Holding Company on a standalone basis and do not represent the consolidated financial position of the Holding Company and its subsidiaries.

Note 2 — Contingent Liabilities:

Logitech International SA issued guarantees to a bank for CHF 30,089,600 for lines of credit available to its subsidiaries. At March 31, 2002 the aforementioned credit line facilities were not drawn down.

Note 3 — Investments:

Principal operating subsidiaries include the following: Logitech Inc., Logitech Europe S.A., Logitech Far East Ltd., Suzhou Logitech Electronic Co. Ltd., and Logicool Co. Ltd. All subsidiaries are 100% owned by the Holding Company. Principal investments include a 51% interest in 3Dconnexion and a 35% interest in Spotlife Inc.

Note 4 — Treasury Shares:

	Number of shares	Total cost (in thousands)
Held by a subsidiary at March 31, 2000	206,400	CHF 1,609
Additions	1,281,120	50,449
Disposals	(1,322,770)	(46,091)
Held by subsidiaries at March 31, 2001	164,750	5,967
Additions	3,777,775	27,996
Disposals	(1,859,522)	(5,448)
Held by the holding company at March 31, 2002	2,083,003	CHF 28,515

The disposal of treasury shares held by the Holding Company and its subsidiaries relates to the exercise by directors and employees of options granted to them under the Holding Company's share option and share purchase plans and, during the year ended March 31, 2001, to the acquisition of Labtec. All references to the number of shares have been adjusted to reflect the effect of all share splits undertaken by the Holding Company.

Note 5 — Authorized and Conditional Share Capital Increases:

Share splits

In June 2001, the Company's shareholders approved a ten for one share split whereby one share with a par value of CHF 10 was converted into ten shares with a par value of CHF 1 per share. In June 2000, the Company's shareholders approved a two for one share split whereby one share with a par value of CHF 20 was converted into two shares with a par value of CHF 10 per share. All references to the number of shares below have been adjusted to reflect the effect of all share splits undertaken by the Holding Company.

Authorized capital

In June 2000, the Company's shareholders approved 10 million authorized registered shares for use in acquisitions, mergers and other similar transactions. The approval of the available amount of authorized registered shares is sought at the Holding Company's annual general meeting. In March 2001, 1,242,120 authorized shares were issued in order to facilitate the acquisition of Labtec Inc. In June 2001, 2,725,000 authorized shares were issued to temporarily cover the conversion rights associated with the issuance of a convertible bond by Logitech Jersey Ltd, a subsidiary of the Holding Company. Subsequently, the shareholders approved the use of those shares, issued to temporarily cover the conversion rights referred to above, to cover the exercise of stock options granted under the Holding Company's stock option plans and the issuance of shares under the Holding Company's employee share purchase plans.

Conditional Capital

The general meeting of June 27, 1996 approved the availability of 8,000,000 conditional registered shares. The general meeting of June 25, 1998 approved the continued availability of the aforementioned amount and approved an additional 6,000,000 conditional registered shares. The remaining number of conditional registered shares as at March 31, 2002 was 9,165,465, which are available for issuance upon the exercise of employee stock options and purchase rights related to the employee share purchase plans. During the fiscal year 2002 and 2001, 758,065 and 1,547,270 respectively, were issued from the aforementioned amounts of conditional shares available.

In addition to the aforementioned, the general meeting of June 28, 2001, approved the creation of an additional 2,725,000 conditional registered shares to cover the conversion rights associated with the issue of a convertible bond by Logitech Jersey Ltd, a subsidiary of the Holding Company. As at March 31, 2002, none of the aforementioned conditional registered shares had been issued.

Note 6 — Significant Shareholders:

The Holding Company's share capital consists of registered shares. To the knowledge of the Holding Company, the only beneficial owners holding more than 5% of the voting rights of the Holding Company is Mr. Daniel Borel, who owns 6.55% and Fidelity Management Trust Company, who in January 2002 announced that their percentage holding amounted to 5.24%.

Note 7 — Movements on Retained Earnings:

	Year ended March 31, 2002	Year ended March 31, 2001
	(In thousands)	
Retained earnings at the beginning of the year	CHF 108,147	CHF 61,708
Net income for the year	32,541	46,439
Retained earnings at the disposal of the annual general meeting	CHF 140,688	CHF 108,147

PROPOSAL OF THE BOARD OF DIRECTORS FOR APPROPRIATION OF RETAINED EARNINGS

	Year ended March 31, 2002	Year ended March 31, 2001
	(In thousands)	
	Proposal of the Board of Directors	Resolution of the General Meeting
To be carried forward	CHF 140,688	CHF 108,147

Report of the Statutory Auditors
to the General Meeting
of Logitech International S.A., Apples

PRICEWATERHOUSECOOPERS

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Logitech International S.A. for the year ended March 31, 2002.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

M. Foley M. Perry

Lausanne, Switzerland
April 19, 2002