



Logitech Delivers Best-Ever Q2 Results

Revenue Up 28 Percent; Operating Income Up 29 Percent Company Increases Full-Year Targets for Sales and Operating Income

FREMONT, Calif., Oct. 19, 2005 and ROMANEL-SUR-MORGES, Switzerland, Oct. 20, 2005 -- Logitech International (SWX: LOGN) (Nasdaq: LOGI) today posted record Q2 financial results, achieving its twenty-eighth consecutive quarter of double-digit sales growth.

For Logitech's second quarter of FY 2006, ended September 30, 2005, sales were \$422 million, up 28 percent from \$330 million in the same quarter last year. Operating income was \$38.2 million, up 29 percent from \$29.6 million last year. Net income for the quarter was \$36.2 million (\$.37 per share), up 39 percent from \$26 million (\$.27 per share) in the prior year. Gross margin was 31.4 percent, down from 33.2 percent in Q2 FY 2005.

Logitech's retail sales in the second quarter were up 29 percent over the prior year, driven by continued explosive growth in audio sales, and strong growth in the video and console-gaming categories. Retail sales growth was 30 percent in EMEA, 28 percent in the Americas and 31 percent in Asia Pacific. The Company's OEM sales were up 19 percent over last year, due to robust sales of mice.

"As demand exceeded our expectations, this Q2 delivered our best year-over-year sales growth in more than three years," said Guerrino De Luca, Logitech president and chief executive officer. "We are riding the wave of significant trends - the growing popularity of digital music, the pervasiveness of broadband connectivity, and the increasing role of the PC as an entertainment and communication platform. Even with a significantly higher proportion of audio products in the overall product mix, we grew our gross profit faster than our operating expenses and delivered 29 percent growth in operating income.

"We enter Q3 well positioned for the 2005 holiday buying season with innovative new products recently launched across our product portfolio, and a higher backlog of retail orders compared to this time last year. We expect our gross margin in the second half of the year to be higher than it was in the first half, primarily due to continued improvements in the audio category."

Highlights for Logitech's Q2 FY 2006

- Logitech achieved its best-ever quarter for retail sales of video products, with year-over-year growth of 28 percent, reflecting the increasing use of video communications over the Internet and demand for Logitech's refreshed video product lineup.
- The Company's retail sales of audio products more than doubled compared to the same quarter last year. Demand for Logitech's PC speakers and audio products for iPod/MP3 players has been driven by the increasing popularity of digital music. And, the sales of Logitech's PC headsets have benefited from the surge in use of voice-over-IP communication.
- Sales momentum of the Logitech® Harmony® universal remote control continues to accelerate as the product's channel presence in North America has broadened; the Harmony 880 was one of Logitech's best-selling products in Q2.
- Retail sales of console-gaming products increased by 62 percent, fueled by a high attachment rate of Logitech products to the sale of PSP™ (PlayStation® Portable) systems.

Outlook

Logitech increased its financial targets for the current fiscal year, ending March 31, 2006. The Company now targets sales growth of 18-20 percent for the full fiscal year, compared to its earlier target of 15 percent, and operating income growth to exceed the earlier target of 15 percent. The Company expects gross margin for the full fiscal year to be at the low end of the company's long-term target range of 32 to 34 percent.

Management Team Update

Logitech announced that Gerald P. Quindlen has joined the Company as its senior vice president of worldwide sales and marketing. Mr. Quindlen was with the Eastman Kodak Company for seventeen years, where he most recently served as vice president of global sales and operations for the Consumer and Professional Imaging Division. He holds an M.B.A. degree from the University of Pennsylvania's Wharton School and a B.S. degree in chemical engineering from Villanova University.

Earnings Teleconference

Logitech will hold an earnings teleconference on Thursday, Oct. 20, 2005 at 14:00 Central European Time/8:00 a.m. Eastern Daylight Time/5:00 a.m. Pacific Daylight Time to discuss these results as well as guidance for Fiscal Year 2006. A live webcast and replay of the teleconference, including presentation slides, will be available at www.logitech.com/investors. Please visit the Web site at least 10 minutes early to register for the teleconference webcast.

About Logitech

Founded in 1981, Logitech designs, manufactures and markets personal peripherals that enable people to effectively work, play, and communicate in the digital world. Logitech International is a Swiss public company traded on the SWX Swiss Exchange (LOGN) and in the U.S. on the Nasdaq National Market System (LOGI). The company has manufacturing facilities in Asia and

offices in major cities in North America, Europe and Asia Pacific.

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This press release contains forward-looking statements regarding expected sales and operating income for Fiscal 2006 and gross margin for the second half and full year Fiscal 2006. These forward-looking statements involve risks and uncertainties that could cause Logitech's actual performance to differ materially from that anticipated in these forward-looking statements. Factors that could cause actual results to differ materially include our ability to introduce successful products in a timely manner, the effect of pricing, product, marketing and other initiatives by our competitors and our reaction to them on our sales, gross margins and profitability, our ability to match production to demand and to coordinate the worldwide manufacturing and distribution of our products in a timely and cost-effective manner, the sales mix between our lower- and higher-margin products, our operations in China being adversely impacted by strains on Chinese energy, transportation, or other infrastructures, consumer demand for our products and our ability to accurately forecast it, as well as those additional factors set forth in our periodic filings with the Securities and Exchange Commission, including our Form 20-F for the fiscal year ended March 31, 2005, and our Form 6-K for the quarter ended June 30, 2005, available at www.sec.gov. Logitech does not undertake to update any forward-looking statements.

Logitech, the Logitech logo and other Logitech marks are owned by Logitech and may be registered. All other trademarks are the property of their respective owners. For more information about Logitech and its products, visit the Company's Web site at www.logitech.com.

| LOGITECH INTERNATIONAL S.A. | | |
|--|-------------------------------|------------------|
| (In thousands, except per share / ADS) - Unaudited | | |
| CONSOLIDATED STATEMENTS OF INCOME | Quarter Ended September 30 | |
| | 2005 | 2004 |
| Net sales | \$ 422,101 | \$ 329,568 |
| Cost of goods sold | 289,739 | 220,299 |
| Gross profit | 132,362 | 109,269 |
| <i>% of net sales</i> | 31.4% | 33.2% |
| Operating expenses: | | |
| Marketing and selling | 57,703 | 49,233 |
| Research and development | 21,491 | 17,503 |
| General and administration | 14,928 | 12,986 |
| Total operating expenses | 94,122 | 79,722 |
| Operating income | 38,240 | 29,547 |
| Interest income (expense), net | 693 | (225) |
| Other income, net | 3,203 | 1,253 |
| Income before income taxes | 42,136 | 30,575 |
| Provision for income taxes | 5,899 | 4,586 |
| Net income | \$ 36,237 | \$ 25,989 |
| Shares used to compute net income per share and ADS: | | |
| Basic | 88,689 | 88,224 |
| Diluted | 99,835 | 98,438 |
| Net income per share and ADS: | | |
| Basic | \$0.41 | \$0.29 |
| Diluted | \$0.37 | \$0.27 |

Note: Share and per-share data for all periods presented have been adjusted to give effect to the two-for-one stock split that took effect on June 30, 2005.

LOGITECH INTERNATIONAL S.A.

(In thousands, except per share / ADS) - Unaudited

| CONSOLIDATED STATEMENTS OF INCOME | Six Months Ended September 30 | |
|--|----------------------------------|------------------|
| | 2005 | 2004 |
| Net sales | \$ 756,803 | \$ 596,162 |
| Cost of goods sold | 517,069 | 396,027 |
| Gross profit | 239,734 | 200,135 |
| <i>% of net sales</i> | <i>31.7%</i> | <i>33.6%</i> |
| Operating expenses: | | |
| Marketing and selling | 103,996 | 88,802 |
| Research and development | 42,509 | 34,182 |
| General and administration | 29,762 | 26,028 |
| Total operating expenses | 176,267 | 149,012 |
| Operating income | 63,467 | 51,123 |
| Interest income (expense), net | 1,278 | (515) |
| Other income, net | 3,437 | 2,149 |
| Income before income taxes | 68,182 | 52,757 |
| Provision for income taxes | 9,548 | 7,913 |
| Net income | \$ 58,634 | \$ 44,844 |
| Shares used to compute net income per share and ADS: | | |
| Basic | 88,571 | 88,948 |
| Diluted | 99,456 | 99,294 |
| Net income per share and ADS: | | |
| Basic | \$0.66 | \$0.50 |
| Diluted | \$0.60 | \$0.47 |

Note: Share and per-share data for all periods presented have been adjusted to give effect to the two-for-one stock split that took effect on June 30, 2005.

LOGITECH INTERNATIONAL S.A.

(In thousands) - Unaudited

| CONSOLIDATED BALANCE SHEETS | September 30, 2005 | March 31, 2005 | September 30, 2004 |
|-----------------------------|-----------------------|-------------------|-----------------------|
| Current assets | | | |

| | | | |
|---|--------------|--------------|------------|
| Cash and cash equivalents | \$ 254,697 | \$ 341,277 | \$ 193,477 |
| Accounts receivable | 297,418 | 229,234 | 214,858 |
| Inventories | 266,899 | 175,986 | 194,665 |
| Other current assets | 55,695 | 50,364 | 44,210 |
| Total current assets | 874,709 | 796,861 | 647,210 |
| Investments | 16,703 | 16,793 | 16,754 |
| Property, plant and equipment | 62,895 | 52,656 | 43,661 |
| Intangible assets | | | |
| Goodwill | 135,298 | 134,286 | 133,630 |
| Other intangible assets | 13,495 | 15,816 | 19,122 |
| Other assets | 2,042 | 2,460 | 3,554 |
| Total assets | \$ 1,105,142 | \$ 1,018,872 | \$ 863,931 |
| | | | |
| Current liabilities | | | |
| Short-term debt | \$ 109,991 | \$ 9,875 | \$ 9,595 |
| Accounts payable | 243,051 | 177,748 | 160,742 |
| Accrued liabilities | 156,633 | 156,575 | 130,580 |
| Total current liabilities | 509,675 | 344,198 | 300,917 |
| Long-term debt | 25 | 147,788 | 140,771 |
| Other liabilities | 665 | 737 | 883 |
| Total liabilities | 510,365 | 492,723 | 442,571 |
| | | | |
| Shareholders' equity | 594,777 | 526,149 | 421,360 |
| | | | |
| Total liabilities and shareholders' equity | \$ 1,105,142 | \$ 1,018,872 | \$ 863,931 |

LOGITECH INTERNATIONAL S.A.

(In thousands) - Unaudited

| SUPPLEMENTAL FINANCIAL INFORMATION | Quarter Ended September 30 | | Six Months Ended September 30 | |
|---|-------------------------------|------------|----------------------------------|------------|
| | 2005 | 2004 | 2005 | 2004 |
| Depreciation | \$ 8,730 | \$ 6,240 | \$ 15,755 | \$ 12,156 |
| Amortization of other acquisition-related intangibles | 1,161 | 1,585 | 2,321 | 2,981 |
| Operating income | 38,240 | 29,547 | 63,467 | 51,123 |
| Operating income before depreciation and amortization | 48,131 | 37,372 | 81,543 | 66,260 |
| Capital expenditures | 13,320 | 7,737 | 24,086 | 18,328 |
| Net sales by channel: | | | | |
| Retail | \$ 368,757 | \$ 284,924 | \$ 653,069 | \$ 508,395 |
| OEM | 53,344 | 44,644 | 103,734 | 87,767 |
| Total net sales | \$ 422,101 | \$ 329,568 | \$ 756,803 | \$ 596,162 |
| Net sales by product family: | | | | |
| Retail - Cordless | \$ 110,065 | \$ 100,970 | \$ 185,370 | \$ 177,650 |
| Retail - Coded | 74,036 | 71,632 | 146,305 | 129,201 |
| Retail - Video | 61,353 | 47,984 | 109,837 | 93,879 |
| Retail - Audio | 74,601 | 33,107 | 129,397 | 54,606 |
| Retail - Gaming | 30,995 | 24,935 | 51,581 | 41,184 |
| Retail - Other | 17,707 | 6,296 | 30,579 | 11,875 |

| | | | | |
|-----------------|------------|------------|------------|------------|
| OEM | 53,344 | 44,644 | 103,734 | 87,767 |
| Total net sales | \$ 422,101 | \$ 329,568 | \$ 756,803 | \$ 596,162 |