

IDT

IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

BUSINESS REVIEW AND UPDATE

IDT International Limited (“IDT” together with its subsidiaries, the “Group”) is scheduled to report its fourth quarter (“Q4”) and full year results for the financial year ended March 31, 2005 (“FY 2005”) by the end of May 2005. The Group will hold meetings and discussions with investors and securities analysts that may cover the Group’s performance of the Q4 and the full year of FY 2005.

In line with the Group’s policy of transparency and timely provision of information, this business review and update makes reference to guidance provided in February 2005 at the time when the Group announced its results for the third quarter (“Q3”) of FY 2005.

OVERVIEW

The Group’s total sales for Q4 are expected to be 4% higher than the corresponding period last year. ODM/OEM sales in Q4, which were forecasted to be at the same level as last year are expected to be 17% higher than last year driven mainly by Digital Media Products (“DMP”) whereas Telecommunications Products continued to trend lower. The Group’s branded Oregon Scientific sales have recorded mixed results with the Americas and Asia Pacific recording an overall increase in sales of 16% in Q4 compared with last year. Due to a challenging market environment in Europe and the sales achieved last year from new product launches, sales in Europe for Q4 are expected to be 28% lower than the corresponding period last year.

Given the combination of (i) Q4 low seasonality, (ii) higher mix of ODM/OEM sales in the Group’s turnover and (iii) the higher percentage of lower margin DMP sales amongst the total sales of the ODM/OEM, the gross margin in Q4 will be lower than that achieved up to Q3 and for the corresponding period last year.

As announced in February 2005, the Group has continued to invest its sales and marketing organization to drive its brand building and distribution expansion to support its long term growth strategy. In the short term, this will entail an increase in its operating expenses.

The combined impact of the above will result in lower net profit in FY 2005 compared with the financial year ended March 31, 2004 (“FY 2004”) due to a loss being forecasted in Q4.

PROSPECTS

The Group confirms its guidance for the financial year ended March 31, 2006 provided in February 2005 to increase sales by 15% to 20% driven by (i) new Oregon Scientific Products and licensed LCD Consumer Electronic Products and Electronic Learning Products, (ii) new customers in DMP, (iii) the launch of its Audio Products division and (iv) better execution of its sales and distribution strategies. As for the Telecommunications business, the Group expects it to stabilize after a challenging year.

In addition to driving for top line growth, the Group will continue to take proactive action to improve margins in the face of continuous market pricing pressures and increased material and labour costs by streamlining its operations and engineering for lower cost platforms. Furthermore, all operating expenses are being subjected to a zero based review to find opportunities for increased efficiency.

DIVIDEND POLICY

The Directors confirm the Group’s dividend policy to maintain the annual dividend per share at least at the same amount as in FY 2004 (8.0 HK cents per share) in the foreseeable future.

Shareholders of IDT are advised to exercise caution when dealing in shares of IDT.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On behalf of the Board of Directors

Dr. Raymond Chan

Chairman & Chief Executive Officer

Hong Kong, April 18, 2005

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan, Mr. Alain Jacques Gilbert Li, Mrs. Chan Pau Shiu Yeng, Shirley and Mr. Giuseppe Finocchiaro as executive directors; Mr. Jack William Edouard Heuer and Professor Woo Chia Wei as non-executive directors; Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli, Dr. Kenichi Ohmae and Professor Yoram (Jerry) Wind as independent non-executive directors.

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