

# IDT INTERNATIONAL LIMITED

## FY2006/07 INTERIM RESULTS OVERVIEW

November 13, 2006



# FY2006/07 Interim Results

**Financial Highlights**

**Business Review**

**Prospect**



# Income Statement Summary

	Q2 FY06/07		H1 FY06/07	
	HK\$	YoY change	HK\$	YoY change
<b>Turnover</b>	<b>699 million</b>	<b>+9%</b>	<b>1,160 million</b>	<b>-3%</b>
<b>Gross Margin</b>	<b>36%</b>	<b>+17% pt</b>	<b>34%</b>	<b>+12% pt</b>
<b>Operating Profit / (Loss)</b>	<b>16 million</b>	<b>N/A</b>	<b>(20) million</b>	<b>-89%</b>
<b>Net Profit / (Loss) attributable to equity holders</b>	<b>5 million</b>	<b>N/A</b>	<b>(41) million</b>	<b>-78%</b>

# Turnover Analysis – Branded and ODM/OEM

	Q2 FY06/07			H1 FY06/07		
	HK\$ million	% of Group sales	YoY Change	HK\$ million	% of Group sales	YoY Change
<b>Oregon Scientific</b>	<b>474</b>	<b>68%</b>	+16%	<b>716</b>	<b>62%</b>	+4%
<b>ODM/OEM</b>	<b>225</b>	<b>32%</b>	-4%	<b>444</b>	<b>38%</b>	-12%

# Operating Expenses

	Q2 FY06/07		Q2 FY05/06		H1 FY06/07		H1 FY05/06	
	HK\$ million	As % of sales	HK\$ million	As % of sales	HK\$ million	As % of sales	HK\$ million	As % of sales
<b>Selling exp</b>	<b>139</b>	20%	<b>134</b>	21%	<b>236</b>	20%	<b>248</b>	21%
<b>Admin exp</b>	<b>73</b>	10%	<b>77</b>	12%	<b>128</b>	11%	<b>137</b>	11%
<b>R&amp;D exp</b>	<b>28</b>	4%	<b>37</b>	6%	<b>59</b>	5%	<b>65</b>	5%
<b>Total</b>	<b>240</b>	34%	<b>248</b>	39%	<b>423</b>	36%	<b>450</b>	38%

# Working Capital

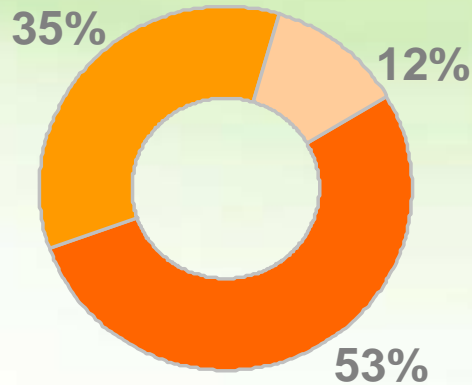
As at	Compared to Sep 30, 05	Sep 30, 06 HK\$ million	Sep 30, 05 HK\$ million
<b>Inventories</b>	-12%	<b>541</b>	<b>618</b>
Raw materials	-11%	96	108
Work in progress	-	51	51
Finished goods	-14%	394	459
<b>Trade receivables</b>	+9%	<b>532</b>	<b>487</b>
<b>Trade payables</b>	+32%	<b>240</b>	<b>181</b>
<b>Inventories turnover</b>	+9 days	<b>129 days</b>	<b>120 days</b>
<b>Debtors turnover</b>	+10 days	<b>84 days</b>	<b>74 days</b>

## Cash Positions

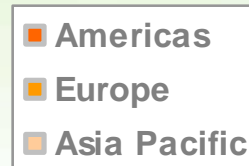
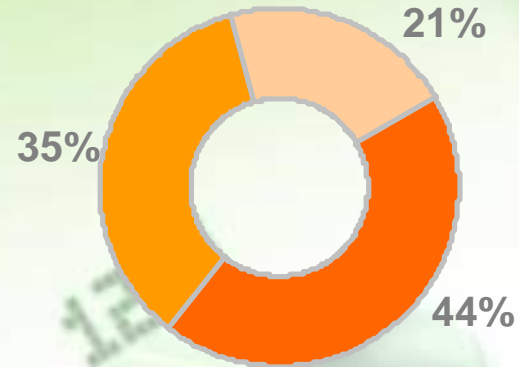
	At Sep 30, 06 HK\$ million	At Sep 30, 05 HK\$ million
<b>Long-term cash deposits</b>	<b>273</b>	<b>273</b>
<b>Bank balances and cash</b>	<b>240</b>	<b>310</b>
<b>Total cash reserves</b>	<b>513</b>	<b>583</b>
<b>Less: Short-term borrowings</b>	<b>422</b>	<b>612</b>
<b>Net cash</b>	<b>91</b>	<b>-29</b>

# Business Review – Turnover by region

H1 FY06/07



H1 FY05/06



	H1 FY06/07 HK\$ million	H1 FY05/06 HK\$ million	Change
Americas	609	527	+15%
Europe	411	413	-
Asia Pacific	140	257	-45%
<b>Total</b>	<b>1,160</b>	<b>1,197</b>	<b>-3%</b>

- Americas** : Strong double digit growth in ELP drove OS sales up 28%  
Exit from digital camera and MP3 shrank ODM/OEM sales by 6%
- Europe** : OS sales down 18% despite strong double digit growth in ELP  
ODM/OEM sales up 46% attributable to more than 100% surge in the sales of both ELP & TEL
- Asia Pacific:** Lack of major corporate sales of ELP and exit from digital camera & MP3 pulled OS sales down 22%  
Growth in TEL could not overcome the decline in other product categories bringing ODM/OEM sales down 54%

## Business Review – Turnover by product division

	Q2 FY06/07 HK\$ million	Q2 FY05/06 HK\$ million	Change	H1 FY06/07 HK\$ million	H1 FY05/06 HK\$ million	Change
<b>ELP</b>	<b>357</b>	<b>243</b>	+47%	<b>462</b>	<b>360</b>	+28%
<b>LCD</b>	<b>247</b>	<b>254</b>	-3%	<b>444</b>	<b>476</b>	-7%
<b>TEL</b>	<b>83</b>	<b>78</b>	+6%	<b>204</b>	<b>147</b>	+39%
<b>Others</b>	<b>12</b>	<b>67</b>	-82%	<b>50</b>	<b>214</b>	-77%
<b>Total Turnover</b>	<b>699</b>	<b>642</b>	+9%	<b>1,160</b>	<b>1,197</b>	-3%

- ELP : double digit growth in both OS & ODM/OEM in Q2
- LCD : the drop was due to ODM/OEM's decline in both Q2 & H1
- TEL : growth in ODM/OEM sales in Q2

## Business Review – Oregon Scientific Turnover by product group

	Q2 FY06/07 HK\$ million	Q2 FY05/06 HK\$ million	Change	H1 FY06/07 HK\$ million	H1 FY05/06 HK\$ million	Change
<b>ELP</b>	<b>286</b>	<b>182</b>	+57%	<b>346</b>	<b>237</b>	+46%
<b>LCD</b>	<b>160</b>	<b>154</b>	+4%	<b>299</b>	<b>303</b>	-1%
<b>TEL</b>	<b>18</b>	<b>18</b>	-	<b>40</b>	<b>38</b>	+6%
<b>Others</b>	<b>10</b>	<b>53</b>	-81%	<b>31</b>	<b>113</b>	-73%
<b>Total Turnover</b>	<b>474</b>	<b>407</b>	+16%	<b>716</b>	<b>691</b>	+4%

- ELP : up 58% in Q2 due to strong growth in Americas & some European markets
- LCD : new products launched in Q2 drove sales up and reduced H1 sales gap
- TEL : successful launch of Touch Phone in HK offset the drop in other markets

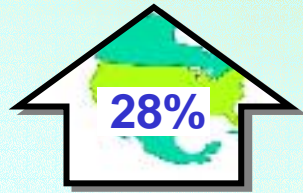
## Business Review – ODM/OEM Turnover by product group

	Q2 FY06/07 HK\$ million	Q2 FY05/06 HK\$ million	Change	H1 FY06/07 HK\$ million	H1 FY05/06 HK\$ million	Change
<b>ELP</b>	<b>71</b>	<b>61</b>	+16%	<b>116</b>	<b>123</b>	-6%
<b>LCD</b>	<b>87</b>	<b>100</b>	-13%	<b>145</b>	<b>173</b>	-16%
<b>TEL</b>	<b>65</b>	<b>60</b>	+8%	<b>164</b>	<b>109</b>	+50%
<b>Others</b>	<b>2</b>	<b>14</b>	-86%	<b>19</b>	<b>101</b>	-81%
<b>Total Turnover</b>	<b>225</b>	<b>235</b>	-4%	<b>444</b>	<b>506</b>	-12%

- ELP** : higher sales were made in Q2 reducing the gap in H1 to 6%
- LCD** : a few key customers realigned their product lineup & business strategies
- TEL** : continued to recover from last year's declining result

# Major Market Performances of Oregon Scientific

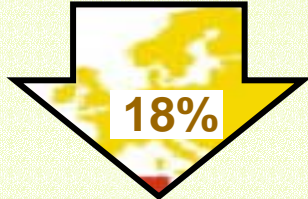
H1 FY06/07



HK\$417M

## Americas

- US up 32%
- Brazil up 9%



HK\$246m

## Europe

- UK and Germany up 5% & 3% respectively
- The other markets could not recover from the exit strategy of digital cameras and MP3



HK\$52M

## Asia Pacific

- Australia down 17% due to closing the categories of digital cameras and MP3
- HK launched the Touch Phone successfully

# Prospect

- The branded sales will continue to increase in the course of entering into the peak selling season
- It will launch consumer oriented marketing and promotion campaigns to enhance its leading position in the time and weather categories in some major markets
- ODM/OEM will be lower than Q3 last year despite the order levels of LCD and TEL are higher than Q3 last year
- It is encouraging to see the healthy trends of rising margin and reducing operating expenses

# Thanks for your attention

