



IDT International Limited
萬威國際有限公司

[For Immediate Release]

IDT INTERNATIONAL ANNOUNCES 2003 ANNUAL RESULTS

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PROFIT INCREASES 8% TO HK\$150.0 MILLION
OREGON SCIENTIFIC BRANDED SALES UP 16%
ACCOUNTS FOR 43% OF TOTAL SALES

Highlights

Turnover increased 8% to HK\$2,410.2 million

Oregon Scientific branded sales up 16% to break the billion dollar level, accounted for 43% of the Group's turnover

OEM/ ODM sales grew by 4%

Profit attributable to shareholders increased 8% to HK\$150.0 million

Net Cash and deposits amounted to HK\$533.8 million

Dividend for the year of 7.0 HK cents per share

- interim dividend paid of 2.0 HK cent per share
 - proposed final dividend of 5.0 HK cents per share
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(Hong Kong, June 18, 2003) -- Leading consumer electronic products manufacturer and distributor, IDT International Limited ("IDT International" or the "Group") (SEHK code: 167), today announced its annual results for the year ended March 31, 2003. Turnover rose to HK\$2,410.2 million, compared to HK\$2,233.5 million in 2002. Profit attributable to shareholders was HK\$150.0 million, an increase of 8% as compared to last year. Basic earnings per share were 7.2 HK cents (2002: 6.7 HK cents).

The board of directors has recommended the payment of a final dividend of 5.0 HK cents per share in cash for the year ended March 31, 2003 (2002: a final dividend of 3.5 HK cents per share in cash and an additional special dividend of 2.5 HK cents per share in cash). Together with the interim dividend of 2.0 HK cents per share in cash (2002: 1.0 HK cents per share in cash), the total dividend for the year will be 7.0 HK cents.

Mr. Raymond Chan, Chairman and CEO of IDT International, commenting on these encouraging results said, "Although the war in Iraq dealt another blow to the already fragile recovery of the global economy, we managed to increase our sales and profits by focusing on the launch of innovative products and building on the strength of our Oregon Scientific brand and global distribution network."

During the year under review, the Group's Oregon Scientific business recorded encouraging results. Turnover was up a significant 16% to HK\$1,028.8 million, representing 43% of the Group's turnover and accounting for 64%, 3% 37% and 64% of the sales of the Group's four core businesses: LCD Consumer Electronic Products ("LCD"), Telecommunications Products ("TEL"), Personal Information Products ("PIP") and Electronic Learning Products ("ELP") respectively.

In recent years, IDT International has been actively developing the market in the Asian region by enhancing awareness of its Oregon Scientific products and duplicating its European success in Asian countries. As a result, sales in the Asian region reached HK\$50.8 million during the year. The Group set up a sales representative office in Singapore in September 2002 and opened its first Asian image shop in Hong Kong in June 2003. A second shop in Asia is planned for Shanghai in the second quarter of the current financial year.

Mr Alain Li, Executive Director and CFO of IDT International said, “In view of our proven distribution strategy and visibility concept for Oregon Scientific, the Group has developed and grown the Oregon Scientific brand into a billion dollar business with 15 sales offices and over 40,000 points of sale. We are confident and are determined to extend this success by increasing our points of sales to enhance the visibility of the brand, which will in turn stimulate consumer demand.”

Turning to the Group’s four core businesses, the LCD business continued to be the largest segment in the Group’s turnover. Sales of Oregon Scientific products grew by 3%. This division currently has 102 new products under development, including two co-branded product lines to be launched in 2004. This co-branding strategy will provide the Group with a competitive advantage and higher margins. As the division recently entered into a significant OEM contract with an existing customer, the OEM business is expected to report growth for the fiscal year 2004.

The TEL business was able to record a sales increment of 13% against the previous year, despite the intensified competition prevailing in the US. It has lessened its dependency on the UK to under 90% by penetrating the European market where sales increased by 287%. The division has extended its product range to cover conference phones through a partnership arrangement with a European technology development company, to produce these products under customers’ private labels.

The PIP business grew 8% to achieve sales of HK\$281.0 million. This growth was mainly attributable to the significant sales growth of digital cameras. However, the division reported a loss related to end of life product categories, inventory disposals, factory relocation costs and start up costs relating to the new clean room facility. Since these are one-off expenses and will not be repeated and with several ODM projects in the pipeline, the division is expected to return to profitability in fiscal 2004.

The ELP business maintained its growth momentum to achieve an impressive increase of about 19% in sales. This was mainly attributable to the popularity of its Oregon Scientific and licensed products which enjoyed a 63% increase in sales to HK\$304.4 million. Mr Li said, “We have once again proven our winning formula, fusing the appeal of popular licensed characters with our innovative in-house design and educational content into our ELP products. Among recent successes, the division won four significant industry accolades – the “Licensee of the Year” award presented by Mattel, Inc.; “Vendor of the Year” presented by Toys “R” Us; “Most Innovative Educational Products” by Positive Image News and Reviews and “Best Vacation Products for 2003” by Dr Toy. Focused on creating character based products with a commitment to innovative design, the division is confident it will achieve further successes into the future.”

In response to shareholders' need for a clear and defined dividend policy, the Group will distribute a minimum of 50% of its net profit in the future. Mr Li added, "To reward our shareholders for their continuous support, we expect to maintain the annual total dividend at a minimum equivalent to the previous year's amount in the foreseeable future barring unforeseen adverse circumstance. In addition, as a responsible corporate, we will be reporting our quarterly results commencing from the financial year 2003/04 with an aim to maintain the highest standards of corporate governance and transparency."

Mr Chan concluded, "Having achieved earnings growth in the last two years despite the adverse economic conditions, the Group is proud of its resilience and timely proactive action to improve the Group's prosperity. The Group is thus confident it will continue to deliver satisfactory performances in the year ahead. To stay on track for further growth, the Group will continue to invest in expanding the Oregon Scientific business and its OEM/ODM customer base. In order to remain competitive in terms of innovation and pricing, the Group is committed to maintaining its R&D capacity at the forefront of the most advanced technologies whilst keeping tight controls on overall operating costs. The Group is in the process of upgrading its information systems to further improve its operational efficiencies."

About IDT International:

IDT International is a holding company whose shares are publicly listed on The Stock Exchange of Hong Kong Limited.

Headquartered in Hong Kong, IDT International and its member company, IDT Holdings (Singapore) Limited (listed on the Singapore Exchange), are engaged in the design, development, manufacture, and sales and marketing of innovative consumer electronic products featuring state-of-the-art liquid crystal display and microprocessor technology. The core businesses include LCD Consumer Electronic Products, Telecommunication Products, Electronic Personal Information Products and Electronic Learning Products. Marketing is undertaken globally through 15 sales and marketing offices in Germany, France, Italy, UK, Spain, Brazil, the US, Australia, the PRC, Japan, Singapore and Hong Kong. Research and development resources have been established in both Hong Kong and the PRC while manufacturing facilities are centred in Xixian, Shenzhen, the PRC.

For more corporate and product information on the IDT Group and Oregon Scientific, please access our websites at <http://www.idthk.com> or <http://www.oregonscientific.com>

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