

[For Immediate Release]

IDT INTERNATIONAL ANNOUNCES 2003/04 THIRD QUARTER RESULTS

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GROUP SALES INCREASE BY 16%
NET PROFIT SURGES 57% TO HK\$228.1 MILLION
SALES OF OREGON SCIENTIFIC PRODUCTS UP 41%

Highlights

	Nine months ended		Changes %
	31 December 2003 HK\$ million	31 December 2002 HK\$ million	
Turnover	2,304.9	1,991.9	↑ 16%
Sales from Oregon Scientific	1,211.0	858.6	↑ 41%
Gross Profit	915.3	683.6	↑ 34%
Gross Profit Margin	40%	34%	↑ 6pt
Operating Profit	310.8	200.5	↑ 55%
Net Profit	228.1	145.1	↑ 57%
Net Profit Margin	10%	7%	↑ 3pt
Earnings Per Share	11.0 cents	7.0 cents	↑ 57%
Net Cash and Deposits	500.1	521.1	↓ 4%

(Hong Kong, 25 February 2004) -- Leading consumer electronic products manufacturer and brand distributor, **IDT International Limited** ("IDT International" or the "Group") (SEHK code: 167), today announced its third quarter results for the financial year ending 31 March 2004.

During the period under review, the Group's turnover was boosted by 16% to HK\$2,304.9 million. The increase was mainly attributable to the significant sales growth in the Group's Oregon Scientific branded products. Overall improved profitability resulted in an augmented profit attributable to shareholders of HK\$228.1 million, representing a 57% increase against the corresponding period last year. Due to the increased sales of its branded products, better margins for the ODM/ OEM business from new products as well as improved efficiencies, both the gross and net profits recorded impressive growth. Gross margin for the nine months rose from 34% to 40%, whilst net profit margin was 10% compared with 7% for the corresponding period last year. Earnings per share were 11.0 HK cents (2002/03: 7.0 HK cents).

Dr. Raymond Chan, Chairman and CEO of IDT International said, “As a result of our dedicated efforts to extend the market reach of our Oregon Scientific brand worldwide, new product launches and efficient cost controls, we are delighted to have delivered a promising performance for the past nine months.”

Oregon Scientific sales surged 41% to HK\$1,211.0 million, representing 53% of the Group’s total turnover, compared with 43% last year. Among all the major overseas markets for the Group’s Oregon Scientific brand, the US was the Group’s largest and fastest growing major market. During the period under review, the US market soared 74%. Italy was the second largest market, recording a sales growth of 39% for the nine months. The UK also recorded an impressive growth rate of 41%, while Australia, a relatively new market for the Group’s Oregon Scientific brand, saw an increment of 62% in sales during the review period.

Turning to the Group’s four core businesses, the LCD Consumer Electronic Products (“LCD”) business continued to be the Group’s largest division. Sales totaled HK\$807.8 million, accounting for 35% of the Group’s total turnover. Sales growth was primarily boosted by the increased sales of healthcare and sports products, and the launch of co-branded collections with Philippe Starck and Ferrari. **Mr Alain Li, Executive Director and CFO of IDT International said,** “A number of key new products, especially the environmental monitoring and timing products, were launched in the third quarter and contributed to driving up the sales of Oregon Scientific branded products.”

Sales of the Telecommunications Products (“TEL”) business grew to HK\$587.6 million, accounting for 25% of the Group’s turnover. The improved sales performance was mainly attributed to IDT’s market extension beyond the US market and product expansion in the third quarter.

The Electronic Personal Information Products (“PIP”) business recorded robust sales of HK\$344.3 million, representing 15% of the Group’s turnover and a 43% increase against the corresponding period last year. The sales increase was driven by the sales of newly launched range of digital cameras.

The Electronic Learning Products (“ELP”) business achieved HK\$557.4 million in sales, representing 24% of the Group’s turnover and a 33% increase against last year. The increase was mainly due to the launch of new products under both licensed arrangements and Oregon Scientific and increased ODM/OEM business.

The Group has a strong financial position with net cash and deposits of HK\$500.1 million as at 31 December 2003. Working capital was up 5% to HK\$778.8 million. The increase in working capital over the year was linked to the increase in sales through the Group’s own brand and overseas subsidiaries.

Mr. Li added, “Looking ahead, we will explore new markets and distribution channels in every region supported by the launch of new products, including our co-branded lines and a continuous investment in headcount and marketing activities, to further drive the Oregon Scientific brand globally. The growth of our consumer brand will be complemented by the strength of IDT as a ODM/OEM provider able to attract major companies to outsource their design and manufacturing needs to the Group.”

Dr. Chan concluded, “We have a strong performance in the first nine months of the year. Sales in the first three quarters have attained 96% of the 2003 financial year’s total. Net profit for the nine months of the current year is already up 49% compared to the full year last year. Although the fourth quarter is traditionally the low season for the Group, the order book for the quarter is already ahead the corresponding period last year. For the full year we expect to continue delivering a satisfactory performance.”

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 member company, IDT Holdings (Singapore) Limited (listed on The Singapore Exchange Securities Trading Limited), are engaged in the design, development, manufacture, sale 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 the US, Italy, UK, Spain, France, Germany, Australia, Brazil, China, Japan, Singapore and Hong Kong. Research and development resources have been established in both Hong Kong and China while manufacturing facilities are centred in Xixian, Shenzhen, China.

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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