

[For Immediate Release]

IDT International Announces 2003/04 Annual Results

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Turnover Increases by 14%
Net Profit Soars 64% to HK\$250.8 Million
Sales of Oregon Scientific Products Up 36%

Highlights

	Year ended		Changes %
	31 March 2004 HK\$ million	31 March 2003 HK\$ million	
Turnover	2,757.3	2,410.2	↑ 14%
Sales from Oregon Scientific	1,399.7	1,028.8	↑ 36%
Gross Profit	1,095.9	825.1	↑ 33%
Gross Profit Margin	40%	34%	↑ 6pt
Operating Profit	339.0	212.1	↑ 60%
Net Profit	250.8	153.3	↑ 64%
Net Profit Margin	9%	6%	↑ 3pt
Earnings Per Share	12.1 cents	7.4 cents	↑ 64%
Net Cash and Deposits	645.0	533.8	↑ 21%

(Hong Kong, 27 May 2004) -- Leading consumer electronic products manufacturer and brand distributor, **IDT International Limited** ("IDT International" or the "Group") (SEHK code: 167), today announced its consolidated results for the fiscal year ended 31 March 2004.

During the year, the Group's turnover increased 14% to HK\$2,757.3 million, compared to last fiscal year's HK\$2,410.2 million. The increase was mainly attributable to the significant sales growth across all the Group's product divisions, with the largest and strongest stream - LCD Consumer Electronic Products - recorded total sales of over one billion HK dollars. In addition, the Oregon Scientific branded products also recorded encouraging sales.

With Oregon Scientific products enjoying relatively higher profit margins as well as improved margins from its ODM business, the Group's gross margin increased from 34% to 40%. Net profit recorded an impressive earnings growth of 64%, amounted to HK\$250.8 million, whilst net profit margin was 9%. Earnings per share were 12.1 HK cents (2002/03: 7.4 HK cents).

The Directors has recommended the payment of a final dividend of 6.0 HK cents per share for the year (2002/03: 5.0 HK cents per share). Together with the interim dividend of 2.0 HK cents per share, the total dividend for the year will be 8.0 HK cents.

Dr. Raymond Chan, Chairman and CEO of IDT International, said, “We are delighted to deliver to our shareholders a pleasing set of results with particularly promising growth in our Oregon Scientific branded retail and distribution business. The dedicated efforts of our professional management have enabled us to make great progress on many fronts, and to position us for continued growth and expansion. We were able to effectively combine exciting products and expand targeted marketing, directly contributing to profitability. Our clear and careful differentiation between ODM/OEM operations and Oregon Scientific business is also crucial to our success. Our encouraging earnings growth is, last but not least, the result of our persistent efforts over the years to improve operational efficiencies.”

Mr. Alain Li, Executive Director and CFO of IDT International, said, “We enhanced the competitiveness of all our products through innovation in terms of both technology and design by our continued commitment to research and development. This investment supports our ODM/OEM as well as Oregon Scientific branded business. The introduction of co-branded collections with two very different design giants – Philippe Starck and Ferrari have also been rewarding. Such strategic moves have further strengthened Oregon Scientific’s superbrand position in the premium market. We maintained tight control over our costs and invested in areas such as sales and marketing to drive our business forward.”

The Group has maintained its consistent and prudent management approach on its financial operations. During the year, it continued to finance its operations from internal cash flows. Net cash and deposits stood at HK\$645.0 million as at 31 March 2004, indicating that the Group has sufficient financial resources to fund its operations, current and future investment needs and development plans. The Group adopts a very careful credit policy as reflected in the modest increase in trade receivables and insignificant bad debt provisions.

Mr. Li added, “Looking ahead, we will explore new markets and distribution channels in different regions. These efforts will be supported by new products launch, continuous investment in headcount and marketing activities to further strengthen the Oregon Scientific brand globally. The growth of our consumer brand will be complemented by the strength of IDT International as a ODM/OEM provider capable of attracting major companies for their design and manufacturing needs.”

Dr. Chan concluded, “We will seek to concentrate management resources on growing business through such initiatives as launching world’s first products, and exploring new markets with potential. These efforts will strengthen IDT International’s foundation for achieving mid-to long-term growth and continued profitability.”

A Summary of Operations Review

In the year under review, the sales of Oregon Scientific products grew by 36% to reach HK\$1,399.7 million, comprising 51% the Group’s turnover. In terms of contribution to individual product divisions, Oregon Scientific sales accounted for:

- 67% of the LCD Consumer Electronic Products division,
- 9% of the Telecommunication Products division,
- 55% of the Electronic Personal Information Products division, and
- 70% of the Electronic Learning Products division.

Growth in sales of Oregon Scientific products, which typically command higher profit margins, had direct and positive impact on the Group's gross margin.

Geographically, the US has been Oregon Scientific's fastest growing market followed by Italy. In the year under review, sales in the US market saw a 56% increase. Growth in sales has also been rapid in the UK, Spain and Australia, the latter being one of the newest markets for Oregon Scientific products. The new and dynamic management team in Australia was able to achieve impressive results including a 46% growth in sales. While the US market responded particularly well to the launch of Oregon Scientific's range of digital cameras and electronic learning products. Sales in Europe were driven by strong interest in the newly launched Philippe Starck and Ferrari Collection of Oregon Scientific products.

LCD Consumer Electronic Products

Among the Group's four core businesses, the largest sales contributor, LCD Consumer Electronic Products division reported an all-time high turnover exceeding HK\$1,000 million (2002/03: HK\$930.3 million), accounting for 38% of the Group's total turnover. Improved sales were primarily boosted by the increased sales of healthcare and sports products, and the launch of co-branded collections with Philippe Starck and Ferrari.

Telecommunication Products

Operating in a highly competitive market, the Telecommunication Products division attained very encouraging performance last year. The overall sales performance of the division increased last year by 3% over the previous year, amounting to HK\$724.2 million, accounting for 26% of the Group's turnover. The improved performance reflects the success of the division in increasing its customer base outside the US and expanding its product portfolio during the year.

Electronic Personal Information Products

The Electronic Personal Information Products business recorded robust sales of HK\$384.6 million, representing 14% of the Group's turnover and a 37% increase against last year. The launch of higher value digital cameras and digital voice recorders during the year accounted for the strong performance of the division.

Electronic Learning Products

Total sales for the Electronic Learning Products division amounted to HK\$585.5 million, a 23% increase from previous year's figure, and a contribution of 21% of the Group's turnover. Sales under the Oregon Scientific brand reached HK\$407.2 million, making up 70% of the division's total sales, a rise from last year's 64%. To assist the development of new lines of products that meet the US national education standards, the Group forged a strategic partnership with Flying Rhinoceros Inc. last year. The increased sales of its licensed 'Barbie' products in the US market testified to the successful partnership.

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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