



IDT International Limited
萬威國際有限公司

For Immediate Release

IDT International Announces FY2006/2007 Interim Results

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Gross Profit Surges 52% to HK\$392.1 Million
Net Loss Shrinks by 78% to HK\$40.6 Million

Highlights

	For the 6 months ended 30 September		Change
	2006 <i>HK\$ million</i>	2005 <i>HK\$ million</i>	
Turnover	1,160.1	1,197.0	- 3%
Gross Profit	392.1	258.0	+52%
Gross Profit Margin	34%	22%	+ 12% pt.
Net Loss attributable to equity holders of the Company	(40.6)	(184.2)	- 78%

(Hong Kong, 13 November 2006) -- Leading consumer electronic products manufacturer and brand distributor, **IDT International Limited** ("IDT International" or the "Group") (HKSE code: 167), today announced its unaudited interim results for the six months ended 30 September 2006.

For the first half of FY2007, IDT International recorded a turnover of HK\$1,160.1 million, similar to the corresponding period of last year. Gross profit increased by 52% to HK\$392.1 million and gross profit margin increased from 22% to 34%, as a results of strong sales of Oregon Scientific branded products. Oregon Scientific branded sales accounted for 62% of the Group's turnover whilst ODM/OEM sales accounted for the balance.

During the review period, by adopting a series of cost control measures, the Group's total operating expenses decreased by 6% to HK\$422.6 million. Consequently, net loss attributable to equity holders of the Company for the six months ended 30 September 2006 dropped significantly to HK\$40.6 million (2005: net loss of HK\$184.2 million).

As at 30 September 2006, net cash balances of the Group were HK\$91.4 million, against net cash deficit of HK\$29.4 million last year. The net current assets amounted to HK\$398.7 million, up by 9%, while inventories amounted to HK\$541.0 million, down by 12%, when compared with last year.

The Board has resolved not to declare any interim dividend for the year ending 31 March 2007 (2006: nil).

Dr. Raymond Chan, Chairman and CEO of IDT International, said, "I am delighted to report that the Group has achieved an encouraging recovery interim results bolstered by rising gross profit margin and lowering operating costs. The initiatives implemented in all product divisions and Oregon Scientific subsidiaries have been successful leading to enhancement of operational efficiencies and cost effectiveness."

A Summary of Operations Review

Oregon Scientific

During the review period, sales of Oregon Scientific increased by 4% to HK\$715.9 million, accounting for 62% of the Group's turnover. Affected by the loss of sales in Digital Media Products, sales in Europe was down by 18% as compared with the same period last year. However, Germany and the UK reported a moderate growth of 3% and 5% in sales respectively, and the US achieved strong double-digit growth in Electronic Learning Products as a result of broader distribution of new innovative products. Brazil also reported strong double-digit growth in both LCD Consumer Electronic Products and Electronic Learning Products. In Asia Pacific, sales were dragged down 22% by the loss in sales of Digital Media Products and a one-time promotion order of Electronic Learning Products.

Electronic Learning Products Division

This division achieved sales of HK\$462.3 million, up 28% when compared with the same period last year and accounted for 40% of the Group's turnover. Oregon Scientific branded sales increased by 46% to HK\$346.5 million, accounting for 75% of the division's total sales. Both Europe and the US placed very strong orders for the children learning laptop computer as well as the new innovative learning products. Demand for new products such as SmartGlobe™ is expected to remain strong in the next quarter. The sales of ODM/OEM business were down by 6% to HK\$115.8 million.

LCD Consumer Electronic Products Division

As a result of late delivery of new products, sales of this division declined by 7% to HK\$444.4 million as compared with last year and accounted for 38% of the Group's turnover. Oregon Scientific branded sales was HK\$299.4 million which accounted for 67% of the division's total sales in the period. Meanwhile, ODM/OEM sales reported 16% decline to HK\$145.0 million which was attributable to substantial reduction of orders from a few major ODM/OEM customers who realigned their products lineup and business strategies. On the product side, the Group launched the world first daylight projection clock and the world first touch-screen heart rate monitor during the period.

Telecommunications Products Division

Sales of this division increased by 39% to HK\$204.5 million during the period representing 18% of the Group's turnover, against 12% for the same period last year. During the period, the Group launched a series of keyless touch phone products, which was well received and led to a 6% growth in sales of the Oregon Scientific brand to HK\$40.1 million, accounting for 20% of the division's total sales. ODM/OEM sales were HK\$164.3 million, which was 50% better than the same period last year.

Prospects

The Group's Electronic Learning Products division will secure a 3-year Star Wars license for children learning laptop computers and hand-held electronic learning products for worldwide distribution. In view of the strong growth of the Electronic Learning Products under the Oregon Scientific brand and the type of product continuing to gain popularity across all markets, the Group will continue to invest in widening the scope of its learning products for children adding to it new product categories.

The Group's LCD Consumer Electronic Products division has been a leader in the market of time and weather and sports and fitness products with innovative features and applications. It will continue to introduce new products of unique design and apply innovative technologies to meet market and customer demands.

For the Telecommunication Products division, capitalizing on the success of its world first keyless touch phone, the Group will continue the strategy of providing advanced technological solutions in cordless phones, private mobile radios and marine radio products.

Dr. Chan concluded, "We believe the Group has overcome the major obstacles to its continuous business development. We are ready to transform challenges into business opportunities. Committed to executing clear improvement initiatives and new business strategies, we are confident of achieving stronger results in the future."

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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. Its core businesses include LCD Consumer Electronic Products, Telecommunications Products and Electronic Learning Products. Marketing is undertaken globally through 15 sales and marketing offices in the US, Italy, the 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 its 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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