



IDT International Limited
萬威國際有限公司

For Immediate Release

IDT International Announces FY2006/2007 Third Quarter Results

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Profit from Operations Back in Black to HK\$36.2 Million Net Loss Shrank 94% to HK\$10.5 Million

Highlights

	For the 9 months ended 31 December		Change
	2006 HK\$' million	2005 HK\$' million	
Turnover	1,869.2	2,009.6	- 7%
Gross Profit	691.2	560.8	+23%
Gross Profit Margin	37%	28%	+ 9% pt.
Net Loss attributable to equity holders of the Company	(10.5)	(164.0)	N/A

(Hong Kong, 13 February 2007) -- Leading consumer electronic products manufacturer and brand distributor, **IDT International Limited** ("IDT International" or the "Group") (SEHK code: 167), today announced its unaudited third quarter results for the nine months ended 31 December 2006.

During the review period, IDT International maintained turnover at HK\$1,869.2 million. Gross profit surged 23% to reach HK\$691.2 million and gross profit margin increased from 28% to 37%, mainly attributable to the effective business strategies and corrective measures taken in the review period. Oregon Scientific branded sales accounted for 65% of the Group's total turnover and ODM/OEM business brought in the rest.

At the effect of a series of cost control measures and streamlining of operation, the Group's total operating expenses decreased by 5% to HK\$670.1 million. Net loss attributable to equity holders of the Company for the period was hence significantly reduced to HK\$10.5 million, as compared with the net loss of HK\$164.0 million in the same period last year. For the three months ended December 31, 2006, the Group recorded a net profit attributable to equity holders of the Company amounting to HK\$30.1 million (2005: HK\$20.2 million).

The Directors do not recommend the payment of a dividend for the three months ended December 31, 2006 (2005: nil).

Dr. Raymond Chan, Chairman and CEO of IDT International, said, "Our continual efforts to streamline our cost structures, strengthen our financial management and implement new product planning processes have enabled us to better control operating expenses and lowered them more than we did last year. In addition, we realigned our business focuses and resources on higher margin sales. Consequently, our gross profit margin was boosted to 37%."

A Summary of Operations Review

Oregon Scientific

Sales of Oregon Scientific decreased by 4% to HK\$1,218.1 million, representing 65% of the Group's total turnover. The USA became the largest market of Oregon Scientific in terms of sales, bolstered by growth in sales of LCD Consumer Electronic Products and Electronic Learning Products. Brazil remained as the strongest new market. Despite that the sales to France and Germany were higher than that in the same period last year, sales to other markets in Europe was soft. As a result, sales in Europe was down by 15%. In Asia Pacific, the focus of the new strategy is on selling products with higher margin and building critical mass business.

LCD Consumer Electronic Products division

Sales of this division amounting to HK\$821.0 million were similar to the amount recorded for the corresponding period last year and accounted for 44% of the Group's total turnover. Oregon Scientific branded sales were HK\$576.8 million, making up 70% of the division's total sales in the period. As for ODM/OEM sales, a 29% growth was reported in the third quarter, resulting in total year-to-date sales of HK\$244.2 million.

Electronic Learning Products division

Sales were up 4% to HK\$681.2 million, representing 36% of the Group's total turnover. Oregon Scientific branded sales increased by 22% to HK\$527.9 million, accounting for 77% of the division's total sales. Both Europe and America recorded strong sales in the second quarter, however, re-ordering lowered in the third quarter partly due to slow down of sales of Superman products. ODM/OEM sales declined 61% in the third quarter and, as a result, total year-to-date sales dropped to HK\$153.3 million. The Group has mapped out a business plan that focuses on new customers and new projects in the new financial year.

Telecommunications Products division

Sales of the division increased by 34% to HK\$294.1 million against the same period last year, accounting for 16% of the Group's total turnover. Sales from Oregon Scientific amounted to HK\$61.3 million, which accounted for 21% of the division's total sales. Effort to push these products through B2B channels and promotional programs in some markets has increased consumer awareness of the Oregon Scientific brand. ODM/OEM sales amounted to HK\$232.8 million, 48% higher than last year's. By taking on more new projects and new customers during the review period, this division now has a broadened clientele and product portfolio.

Looking ahead, Dr. Chan concluded, "Heeding that the fourth quarter is traditionally the slow selling season, we will continue to overcome challenges by taking measures to rightsize the organisation, reduce the operating expenses and lower the inventory level. On strong financial standing, we are confident that the ongoing restructuring that we have been embarking on for the past 18 months will be completed to put the Group back on the profitable path.

IDT International is celebrating its 30th anniversary. To mark the turn of a new leaf in its development, the Group recently changed its logo with its English name "IDT" in green and orange as the dominant design. Echoing Oregon Scientific's logo, the new logo of the Group symbolizes energy, growth and peace. The management believes the new identity will better reflect the characters of the Group and, together with Oregon Scientific logo, boost the overall presence of the Group in the market.

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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, sales 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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