



IDT International Limited
萬威國際有限公司

For Immediate Release

IDT International Announces FY2010/2011 Annual Results

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Turnover Increased 16% to HK\$1,623.6 Million
Gross Profit Increased 8% to HK\$532.7 Million

(Hong Kong, 29 June 2011)– Consumer electronic products manufacturer and brand distributor **IDT International Limited** (“IDT International” or the “Group”) (HKEx code: 167) announced its annual results for the year ended 31 March 2011.

The Group recorded a total turnover of HK\$1,623.6 million, an increase of 16% when compared to HK\$1,394.9 million last year. This was attributable both to a gradual recovery in the retail markets of the US and Europe, and to new products and services introduced during the year. The revenues from Oregon Scientific branded products increased by 3% to HK\$791.7 million, whilst the products and services provided by ODM/OEM business surged by 33% to HK\$831.9 million.

Gross profit was HK\$532.7 million, a steady growth of 8% compared to HK\$491.0 million last year. Implementing the “turn aging inventory into cash programme”, the prices of certain slow moving items were lowered during the year, which in turn led to a decrease in overall gross margin from 35% to 33%. This programme has helped to reduce the slower moving inventory. The overall loss attributable to owners of the Company was HK\$49.6 million, which was a significant improvement over the attributable loss of HK\$138.2 million last year. Net cash position amounted to HK\$103.3 million.

A Summary of Business Review

Oregon Scientific

Sales revenues from the Oregon Scientific brand were HK\$791.7 million, up by 3% compared to HK\$768.3 million last year. The amount represented 49% of the Group’s total sales. Despite the market environment still have limited impact on Oregon Scientific product distribution, the Group was able to maintain stable sales for Oregon Scientific’s branded products.

Time and Weather (T&W) is still the largest product category of Oregon Scientific. Other categories, including Sports and Outdoor (S&O), Electronic Learning Products (ELP) and Wellness, have also performed satisfactorily. In response to keen market competition and price erosion, the Group is gradually moving away from children’s laptops and moving towards a new technology platform that we are confident will drive positive growth in the coming fiscal year.

Moving forward, the Group will be boosting investments on research and development (R&D) to increase the portfolio of products in the T&W, S&O, ELP and Wellness categories. The Group is committed to creating leading-edge products based on appropriate advanced technologies allied to intuitive consumer insights. It is also committing additional resources to pioneer health-related products that should enhance people's lives.

The demand for Oregon Scientific products in Greater China is increasing, thus the Group will invest more in China to extend the geographical market coverage. In addition to the US and Europe, the Group is also expanding its distribution in other high growth potential markets, such as Turkey, the Middle East, Latin America, Russia and Taiwan.

By product segment, LCD Consumer Electronic Products, Electronic Learning Products and Telecommunication and Other Products accounted for 53%, 22% and 25% of the Group's total sales respectively.

LCD Consumer Electronic Products

Sales of this product segment increased by 21% to HK\$858.6 million, which was mainly arose from the ODM/OEM business, as it has grown substantially by 40% to HK\$515.5 million. Sales of Oregon Scientific branded products maintained at a similar figure as last year.

The LCD product category is still subject to keen price competition. To counter such cost pressures, the Group continues to develop and design higher-end innovative products, which incorporating new technologies. To improve the competitiveness of all new products, the Group will closely collaborate with technology partners and make continuous investments in R&D.

Electronic Learning Products

Sales of this segment amounted to HK\$361.8 million, a drop of 10% compared with last year. The decline was mainly attributable to the decreased sales from Oregon Scientific branded products which saw a reduction in orders from some toy retailers in the US and Europe.

Looking ahead, the Group is developing a number of very innovative items with a completely new technology platform to stimulate growth. The Group is also working closely with newly appointed distributors in certain emerging markets to increase new business opportunities.

Telecommunication and Other Products

This product segment recorded encouraging performance with sales surged by 43% to HK\$403.2 million. The strong sales growth was achieved by increased demand in the marine radios and the conference telephone sectors.

The marine radio and the conference telephone sectors have fully recovered from the financial crisis, while several new innovative products will start shipment in the coming financial year, it is expected that sales in this division will maintain the growth momentum.

Dr. Raymond Chan, Chairman and Group Chief Executive Officer of IDT International concluded, “Despite the uncertain global economic outlook, the Group is continuing to take active measures to invest in continuous Innovation and development of new higher margin products; streamlining operating costs and overheads through Value Manufacturing Services (VMS); strengthening ‘Oregon Scientific’ as a global lifestyle, smart living, brand mainly through integrated communication strategies, as well as for achieving synergies within our operations, extending and strengthening the network and distributors, to broaden market channel coverage and facilitate better market penetration as well as new markets. With the measures being taken by the management and our strong cash position, we are confident that the Group will continue to see substantial improvement, and turnaround to a healthy profit with a sound financial position.”

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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 is 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, Telecommunication Products and Electronic Learning Products. Marketing is undertaken globally through its sales and marketing offices in the US, Italy, the UK, Spain, France, Germany, Australia, Brazil, China, Japan and Hong Kong. Research and development resources have been established in both Hong Kong and China while its manufacturing facilities are centred in Xixiang, 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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