



IDT International Limited
萬威國際有限公司

[For Immediate Release]

IDT International Announces FY2008/2009 Interim Results

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Net Profit Surged 3.3 times to HK\$8.6million Attributable to Focus on High Margin Products

Highlights

	For the 6 months ended 30 September		Change
	2008 HK\$' million	2007 HK\$' million	
Turnover	917.6	1,055.7	- 13%
Gross Profit	377.3	389.8	- 3%
Gross Profit Margin	41%	37%	+4% pt.
Operating Profit	32.1	40.4	-21%
Net Profit attributable to equity holders of the Company	8.6	2.0	+330%
Earnings per share (HK cents)	0.34	0.08	+0.26 HK cents

(Hong Kong, 9 December 2008) -- Leading consumer electronic products manufacturer and brand distributor **IDT International Limited** ("IDT International" or the "Group") (HKEx code: 167) today announced its interim results for the six months ended 30 September 2008.

Turnover was HK\$917.6 million, a drop of 13% compared with the same period last year. The decline was attributable to the exit of non-core products of low profitability and contracting consumer spending amid the global economic downturn. However, the Group managed to increase its gross profit margin from 37% to 41% and make a net profit of HK\$8.6 million for the period, more than tripled the HK\$2.0 million recorded in the last corresponding period. The improvement of overall profitability of the Group were achieved by the Group's focus on high margin products and efforts to strengthen the Oregon Scientific brand and enhance operational efficiency.

Total operating expenses of the Group decreased by 3% to HK\$359.3 million, which included an exchange loss of HK\$29.1 million arising from the Group's global operations in the ordinary course of business. If the exchange loss was excluded, the total operating expenses would be HK\$330.2 million, representing a reduction of 11% compared with the same period last year.

Profit from operations was HK\$32.1 million, a reduction of 21% compared to HK\$40.4 million of the same period last year when there was an exchange gain of HK\$13.9 million. Excluding the impact of exchange differences profit from operations would be HK\$61.2 million, an increase of HK\$34.7 million or 130% compared to HK\$26.5 million of the same period last year.

The Directors do not recommend payment of interim dividend for the six months ended 30 September 2008 (2007: nil).

Dr. Raymond Chan, Chairman and CEO of IDT International, said, "The improved financial results we achieved in the interim period is proof of the effectiveness of our strategy and business model and the perseverance of our staff in execution amid the current economic turmoil. We will continue to enhance productivity and invest in R&D to drive product innovation which we believe will allow us to maintain our leadership position in the industry".

A Summary of Operations Review

Oregon Scientific

Sales amounted to HK\$545.6 million, a 13% reduction compared with the same period last year, representing 59% of the Group's total sales. New products launched in the reporting period, including iBalance Bangle, Sport Watch with Weather Forecast, CD Weather Station, Winx and the Toddler lines in Electronic Learning Products are evidence of the Group's commitment to R&D and innovation. Affected by the global economic slowdown, sales decreased in the Americas and Europe alongside drop in customer demand. However, sales in the Asia Pacific region increased by 80%, accounting for 9% of the Group's sales in the period under review.

LCD Consumer Electronic Products

Sales amounted to HK\$411.1 million, down by 8% compared with the same period last year, representing 45% of the Group's turnover. Traditional time and weather products experienced pricing pressure from intense market competition. Sales of new products launched during the period, however, were able to partly offset the sales drop of traditional products due to the poor economy.

Electronic Learning Products

Sales amounted to HK\$349.8 million, a 14% decrease compared with the same period last year, representing 38% of the Group's turnover. Growth in sales was recorded for Action Camera and Smart Globe against the corresponding period last year, but it was partly offset by the drop in sales from the traditional laptop business. ODM sales declined by 38% to HK\$55.2 million partly because of the Group's focus on premium and higher margin products and partly because of the global economic downturn.

Telecom and other Products

Sales decreased by 21% to HK\$156.7 million and accounted for 17% of the Group's turnover. Competition in cordless phone market remained intense. Customer demand for phones and transceivers declined in the US and Europe as economies in those areas slow down, whereas sales of video phones to customers in Asia Pacific improved.

Outlook

The economic turmoil in the US has spread to Europe and triggered a global crisis. The Group will continue to focus on improving its profitability and maintain a strong liquidity position. The Group will keep building the Oregon Scientific brand by developing products that complement the finest lifestyle, penetrate into various customer segments and broaden the geographical coverage through distributorship. New and enhanced products that are going to be launched include i-Comfort in the Health and Wellness category, enhanced version of the Action Camera, new generation of the Smart Globe and Multi-day Weather Forecast Station. The Group will expand its business through new e-commerce channels, and will develop new on-line platform to support this initiative.

The Group will continue to achieve productivity gain by strengthening centralised supply chain management and improving its operational efficiency.

Dr. Chan concluded, "It is difficult to predict the outcome of the global economic downturn, but the market expects the increase in price of raw materials and wages, and appreciation of the RMB to slow down which will benefit the industry including the Group. Heeding the increasingly uncertain operating environment, the Group will strive to capture new business opportunities and be prepared for the continued downturns and other challenges ahead by maintaining a high level of liquidity."

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 its 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 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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