IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2008

IDT INTERNATIONAL LIMITED is a holding company with subsidiaries engaged in the design, development, manufacture, and marketing and distribution of life style consumer electronic products through the application of innovative liquid crystal display and microprocessor technology.

Financial Highlights

For six months ended September 30, 2008 (when comparing to the same period last year)

- Turnover reduced 13% to HK$917.6 million
- Gross margin improved from 37% to 41%
- Operating expenses decreased 3% to HK$359.3 million.
- Profit attributable to equity holders improved from HK$2.0 million to HK$8.6 million.
- Net cash increased by HK$120.2 million to HK$194.1 million

UNAUDITED INTERIM RESULTS

The directors (the "Directors") of IDT International Limited (the "Company") would like to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended September 30, 2008 together with the unaudited comparative figures for the corresponding period in 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended September 30, 2008 (Unaudited) HK$'m	Six months ended September 30, 2007 (Unaudited) HK$'m	Year ended March 31, 2008 (Audited) HK$'m
Turnover	2	917.6	1,055.7	2,112.5
Cost of goods sold		(540.3)	(665.9)	(1,358.5)
Gross profit		377.3	389.8	754.0
Other operating income		14.1	21.9	71.3
Research and development costs		(45.9)	(48.3)	(89.0)
Distribution and selling expenses		(175.2)	(202.0)	(415.9)
Administrative expenses		(138.2)	(121.0)	(233.7)
Interest on bank and other borrowings wholly repayable within five years		(8.6)	(12.1)	(24.0)
Profit before taxation	3	23.5	28.3	62.7
Taxation	4	(7.0)	(17.6)	(41.5)
Profit for the period		16.5	10.7	21.2
Attributable to:				
Equity holders of the Company		8.6	2.0	17.5
Minority interests		7.9	8.7	3.7
		16.5	10.7	21.2
Earnings per share	5			
- basic (HK cents)		0.34	0.08	0.70
- diluted (HK cents)		N/A	N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	At September 30, 2008 (Unaudited) HK$'m	At September 30, 2007 (Unaudited) HK$'m	At March 31, 2008 (Audited) HK$'m
Non-current assets				
Property, plant and equipment		238.9	261.0	252.9
Intangible assets		80.0	81.7	78.1
Goodwill		34.2	34.2	34.6
Long-term bank deposits		-	39.0	-
Deferred tax assets		51.1	77.5	49.1
		404.2	493.4	414.7
Current assets				
Inventories		406.3	469.0	285.7
Trade and other receivables	6	536.1	625.1	436.9
Forward assets		0.5	-	-
Tax certificate		43.4	43.3	42.9
Taxation recoverable		0.6	1.0	1.5
Current portion of long-term deposit		-	-	117.0
Bank balances and cash		576.9	436.9	521.7
		1,563.8	1,575.3	1,405.7
Current liabilities				
Trade and other payables	7	481.7	558.6	323.1
Bills payables		15.6	6.6	7.2
Obligations under finance leases due within one year		3.2	2.0	3.1
Forward liabilities		-	6.0	0.2
Taxation payable		25.2	26.3	17.6
Short-term bank loans		367.2	373.4	301.3
Bank overdrafts		-	22.0	12.6
		892.9	994.9	665.1
Net current assets		670.9	580.4	740.6
Total assets less current liabilities		1,075.1	1,073.8	1,155.3
Non-current liabilities				
Obligations under finance leases due after one year		3.8	3.4	4.3
Bank loans due after one year		-	-	78.5
Deferred tax liabilities		16.7	20.6	17.9
		20.5	24.0	100.7
Net assets		1,054.6	1,049.8	1,054.6
Capital and reserves				
Share capital	8	250.2	250.2	250.2
Reserves		537.7	534.1	543.5
Equity attributable to equity holders of the Company		787.9	784.3	793.7
Minority interests		266.7	265.5	260.9
Total equity		1,054.6	1,049.8	1,054.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Share capital (Unaudited) HK$'m	Share premium (Unaudited) HK$'m	Properties revaluation reserve (Unaudited) HK$'m	Share options reserve (Unaudited) HK$'m	Translation reserve (Unaudited) HK$'m	Revenue reserve (Unaudited) HK$'m	Total (Unaudited) HK$'m	Minority interests (Unaudited) HK$'m	Total equity (Unaudited) HK$'m
At April 1, 2008	250.2	151.6	27.9	3.3	(13.6)	374.3	793.7	260.9	1,054.6
Exchange differences arising from translation of financial statements of overseas operations recognized directly in equity	-	-	-	-	14.3	-	14.3	(0.3)	14
Loss recognized directly in equity	-	-	-	-	(29.3)	-	(29.3)	-	(29.3)
Profit for the period	-	-	-	-	-	8.6	8.6	7.9	16.5
Total recognized income and expense for the period	-	-	- .	-	(15.0)	8.6	(6.4)	7.6	1.2
2008 final dividend paid	-	-	-	-	-	-	-	(1.8)	(1.8)
Recognition of equity-settled share-based payments	-	-	-	0.6	-	-	0.6	-	0.6
At September 30, 2008	250.2	151.6	27.9	3.9	(28.6)	382.9	787.9	266.7	1,054.6
At April 1, 2007	250.2	151.6	27.9	2.9	(5.9)	356.8	783.5	264.8	1,048.3
Exchange differences arising from translation of financial statements of overseas operations recognized directly in equity	-	-	-	-	(2.7)	-	(2.7)	0.2	(2.5)
Profit for the period	-	-	-	-	-	2.0	2.0	8.7	10.7
Total recognized income and expense for the period	-	-	- .	-	(2.7)	2.0	(0.7)	8.9	8.2
Disposal of property held for sale	-	-	(4.8)	-	-	4.8	-	-	-
Deferred tax credit arising from disposal of property held for sale	-	-	0.8	-	-	-	0.8	-	0.8
2007 final dividend paid	-	-	-	-	-	-	-	(8.2)	(8.2)
Recognition of equity-settled share-based payments	-	-	-	0.7	-	-	0.7	-	0.7
At September 30, 2007	250.2	151.6	23.9	3.6	(8.6)	363.6	784.3	265.5	1,049.8

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended September 30, 2008 (Unaudited) HK$'m	2007 (Unaudited) HK$'m
Net cash from (used in) operating activities	2.6	(71.2)
Net cash from investing activities	87.4	203.8
Net cash (used in) from financing activities	(18.2)	16.3
Net increase in cash and cash equivalents	71.8	148.9
Cash and cash equivalents at April 1	509.1	264.7
Effect of foreign exchange rate changes	(4.0)	1.3
Cash and cash equivalents at September 30	576.9	414.9
Analysis of the balances of cash and cash equivalents:		
Bank deposits, bank balances and cash	576.9	436.9
Bank overdrafts	-	(22.0)
	576.9	414.9

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Directors are responsible for preparing the Group's unaudited interim financials. The condensed consolidated financial statements for the six months ended 30 September 2008 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA").

The preparation of the condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2008. In the current interim period, the Group has applied, for the first time, new interpretations ("new Interpretations") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2008. The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods.

2. SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the periods. An analysis of the Group's turnover and result by business segments is as follows:

	Turnover Six months ended September 30,		Operating profit(loss) Six months ended September 30,	
	2008	2007	2008	2007
	HK$'m	HK$'m	HK$'m	HK$'m
Sales and manufacture of:				
LCD Consumer Electronic Products	411.1	447.8	13.0	11.2
Electronic Learning Products	349.8	409.4	27.0	48.7
Telecommunication, digital media and other consumer electronic products	156.7	198.5	(9.8)	(15.6)
	917.6	1,055.7	30.2	44.3
Interest income			5.4	2.2
Unallocated corporate expense			(3.5)	(6.1)
Finance costs			(8.6)	(12.1)
Profit before taxation			23.5	28.3
Taxation			(7.0)	(17.6)
Profit for the period			16.5	10.7

An analysis of the Group's turnover by geographical market of its customers is as follows:

	Turnover Six months ended September 30,	
	2008	2007
	HK$'m	HK$'m
Americas	380.8	464.6
Europe	329.4	428.1
Asia Pacific and others	207.4	163.0
	917.6	1,055.7

3. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting) the following:

	Six months ended September 30, 2008 HK$'m	2007 HK$'m
Depreciation and amortisation of property, plant and equipment	27.6	26.6
Amortisation of intangible assets	16.4	21.0
Loss on disposal of property, plant and equipment	2.3	1.7
Interest income	(5.4)	(2.2)
Net foreign exchange loss (gain)	29.0	(13.9)

4. TAXATION

The credit (charge) consists of:

	Six months ended September 30, 2008 HK$'m	2007 HK$'m
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax	(11.7)	(12.6)
Tax in other jurisdictions	-	(3.4)
Deferred tax credit (expense)	4.7	(1.6)
	(7.0)	(17.6)

On June 26 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008/09. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended September 30, 2008.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit (loss) for the period. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

As previously announced, protective assessments (the "Protective Assessments") totalling approximately HK$58.1 million relating to years of assessment from 1997/98 to 2004/05 have been raised to two of the Group's subsidiaries, challenging on its offshore profits tax claim, by the Hong Kong Inland Revenue Department (the "HK IRD"). The Group lodged objections with the HK IRD against the Protective Assessments. The HK IRD agreed to hold over the tax claimed completely provided that the subsidiaries purchased tax reserve certificates or arranged a bank guarantee. The Group purchased tax reserve certificates of HK$43.4 million in relation to years of assessment from 1997/98 to 2003/04 and arranged a bank guarantee of HK$3.6 million in relation to year of assessment 2004/05. The Directors have been advised by the Company's tax advisor that, based on the subsidiaries' current mode of operations, the offshore claims should represent valid cases to pursue since the subsidiaries' principal businesses were carried outside Hong Kong. The Group, with the advice from its tax advisor, is working on an appropriate basis of settlement with HK IRD and a tax provision of HK$10.7 million has been made in the accounts accordingly. An announcement will be made once an appropriate basis of settlement has been agreed with the HK IRD and the extent of tax liability, if any, is known.

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company for the period is based on the following data:

	Six months ended September 30, 2008 HK$'m	2007 HK$'m
Profit for the period attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	8.6	2.0
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,502,271,088	2,502,271,088

The computation of diluted earnings per share for the six months ended September 30, 2008 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for share for the six months ended September 30, 2008.

6. TRADE AND OTHER RECEIVABLES

The Group allows its trade customers a credit period normally ranging from letter of credit at sight to 60 days open account to customers with long business relationship and strong financial position.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the reporting date:

	At September 30, 2008 HK$'m	At March 31, 2008 HK$'m
Not yet due	327.2	296.2
Overdue less than 31 days	54.6	14.2
Overdue 31 to 90 days	15.3	38.7
Overdue more than 90 days	2.3	15.9
	399.4	365.0
Other receivables	136.7	71.9
	536.1	436.9

7. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the reporting date:

	At September 30, 2008 HK$'m	At March 31, 2008 HK$'m
Not yet due	142.9	57.9
Overdue less than 31 days	69.2	48.2
Overdue 31 to 90 days	15.1	4.8
Overdue more than 90 days	2.9	5.7
	230.1	116.6
Other payables	251.6	206.5
	481.7	323.1

8. SHARE CAPITAL

	Number of shares	Amount HK$'m
At April 1 and September 30, 2008	2,502,271,088	250.2

BUSINESS REVIEW

The Group continues to improve overall profitability and delivered positive results for the six months ended September 30, 2008. Profits attributable to equity holders increased from HK$2.0 million to HK$8.6 million. This was contributed by the implementation of the business strategy focusing on high margin products, strengthening the Oregon Scientific brand, and enhancing operational efficiency.

The Group's turnover for the six months ended September 30, 2008 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. Sales of Oregon Scientific products and ODM were both decreased by 13% compared to last corresponding period.

Gross profits was HK$377.3 million, 3% reduction compared with the same period last year. Gross profit margin rose from 37% to 41%. The increase in gross profit margin was attributed by the improvement in production efficiency through maintaining an optimum production capability and outsourcing part of the production orders. The Group also implemented other measures to achieve productivity gain by enhancing manufacturing processes, re-engineering product design and strengthening the centralized supply chain management.

Distribution and selling expenses decreased by 13% to HK$175.2 million which was in line with the sales trend. Administrative expenses increased by 14% to HK$138.2 million, which included an exchange loss of HK$29.1 million arising from the Group's global operation in the ordinary course of business in the current financial period. Excluding the impact of exchange loss, administrative expenses would be HK$109.1 million, representing a reduction of 10% compared with the last corresponding period. Research and development investment is essential for the Group to drive innovation and maintain its leadership in the industry. The Group's research and development expenses were HK$45.9 million, representing 5% of Group turnover in the current financial period.

Total operating expenses of the Group decreased by 3% to HK$359.3 million. Excluding the impact of exchange loss, the total operating expenses would represent an 11% reduction to HK$330.2 million.

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 for both periods, 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.

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 sales. New products launched in the reporting period, including iBalance Bangle, Sport Watch with Weather Forecast, CD Weather Station, Winx and Toddler lines in Electronic Learning Products. Affected by the global economic slowdown, sales decreased in both the Americas and Europe as customer demand reduced. However, sales in Asia Pacific region increased by 80%, accounted for 15% of Oregon Scientific sales or 9% of the Group's sales in the current financial period. The growth was mainly driven by the launch of new products in Health and Wellness, Sports and Fitness categories.

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. Sales of Oregon Scientific branded product decreased by 6% to HK$221.5 million. The ODM sales decreased 10% to HK$189.6 million. The intense market competition led to pressure on pricing especially on traditional time and weather products. Sales of new products launched during the period, however, were partly offset the sales drop due to the poor economy.

BUSINESS REVIEW (Continued)

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. Sales of Oregon Scientific branded products reduced by 8% to HK$294.6 million. 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. The sales in the current financial period was also affected by the liquidation of one of our sub-contractors which resulted in some shipment delay. The ODM sales dropped 38% to HK$55.2 million. This was attributable partly to the Group's strategy to focus on premium and higher margin products, and partly to the slowing down of the world economy.

Telecom and other Products
Sales decreased by 21% to HK$156.7 million, representing 17% of the Group's turnover. The competition in cordless phone market remained intense. Customer demand in phones and transceivers in the US and Europe declined as the economy slowdown, whereas sales of video phones to customers in Asia Pacific improved.

PROSPECTS

The economic turmoil in the US had spread to Europe and triggered a global crisis. Market observers are expecting the weakest holiday season in decades and the poor economic environment will continue well into 2009 at least. However, 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 are going to be launched including i-Comfort under the Health and Wellness category, enhanced version of Action Camera, new generation of Smart Globe and Multi-day Weather Forecast Station. The Group will expand its business through new channel in e-commerce, and will develop new on-line platform to support this initiative.

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

While it is difficult to predict the outcome of global economic downturn, the market would expect the pace of price increase in raw materials, wages and the appreciation of RMB to slow down which will benefit the industry including the Group.

Looking forward, despite the increasingly uncertain conditions in the 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.

WORKING CAPITAL

The inventory balance as at September 30, 2008 was HK$406.3 million, decreased by 13% compared to last year. The decrease in inventory balance was attributed to the improvement in supply chain management and streamlined product categories. Inventory turnover was 137 days compared to last year of 129 days.

The trade debtors balance as at September 30, 2008 was HK$399.4 million, reduced by 25% compared to last year. Trade debtors turnover was 79 days compared to last year of 92 days. The result was attributed by speeding up debt collection and revisiting customer trade terms to mitigate credit risk.

LIQUIDITY AND TREASURY MANAGEMENT

Bank balances and cash as at September 30, 2008 was HK$576.9 million, with an increase of 32% compared to last year of HK$436.9 million. Total borrowings as at September 30, 2008 was HK$382.8 million, compared to HK$404.0 million at the same time last year. Gearing ratio was 36% compared to 38% of last year. The borrowings are repayable within one year, mainly denominated in HK dollar and on floating interest rates basis.

Net cash position as at September 30, 2008 was HK$194.1 million, increased by HK$120.2 million compared to last year of HK$73.9 million. The Group has adequate cash and liquidity to meet its working capital requirements.

The Group's exposure to foreign currency stems mainly from the net cash flow and net working capital translation of its overseas subsidiaries. Hedging of foreign currency exposures is done through natural hedges and forward contracts. As at September 30, 2008, there have forward contracts in place to hedge against possible exchange risk from future net cash flows. Speculative currency transactions are strictly prohibited. Management of currency risk is the responsibility of the Group's headquarters in Hong Kong.

As at September 30, 2008, there was no charge on Group's assets and there were 2,502,271,088 ordinary shares in issue.

CAPITAL EXPENDITURE

For the 6 months ended September 30, 2008, the Group invested HK$17.6 million in capital expenditure, mainly in purchases of plant and machinery, equipment and computer systems. These capital expenditures were financed primarily by internal resources.

There were no material acquisitions and disposals of subsidiaries and associated companies in the course of the 6 months ended September 30, 2008.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended September 30, 2008.

CONTINGENT LIABILITIES

As at September 30, 2008, the Group had no contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICY

As at September 30, 2008, the Group had about 4,491 employees. The Group fully recognizes the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training.

The Group's remuneration policy is to provide compensation packages at market rates which reward individual's performance and attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other organisations of similar size and business nature and are reviewed annually. The components of employee's remuneration package consists of base salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus and the opportunities to participate in the Group's share option schemes.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended September 30, 2008.

CORPORATE GOVERNANCE
The Group is committed to achieving high corporate governance standards. Throughout the period ended September 30, 2008, the Company applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except the deviation from CG Code provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer. The Group's compliance with the provisions and recommended best practices of the CG Code together with the reasons for any deviations are set out in the Corporate Governance Report contained in the Company's 2008 Annual Report issued in July 2008.

REVIEW OF ACCOUNTS
The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited financial statements and the results of the Group for the six months ended September 30, 2008.

APPRECIATION
On behalf of the Board, I wish to express gratitude to the management team and staff members for their hard work, dedication and support to the Group throughout the review period.

On behalf of the Board of Directors of
IDT International Limited
Dr. Raymond Chan
Chairman & Chief Executive Officer

Hong Kong, December 9, 2008

The Directors of the Company as at the date of this announcement are Dr. Raymond Chan (Chairman & Chief Executive Officer), Mrs. Chan Pau Shiu Yeng, Shirley and Dr. Lam Yee Wah, Eva (Group Chief Financial Officer) as Executive Directors; Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckl and Dr. Kenichi Ohmae as Independent Non-Executive Directors.

Websites: http://www.idthk.com
http://www.irasia.com/listco/hk/idt