IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED MARCH 31, 2011

IDT INTERNATIONAL LIMITED is an investment holding company with subsidiaries engaged in investment holdings, the design, development, manufacture, and sales and marketing of various consumer electronic products.

Financial highlights

- Turnover increased 16% to HK$1,623.6 million
- Gross profit increased 8% to HK$532.7 million
- Total operating expenses decreased 4% to HK$583.7 million
- Attributable loss reduced to HK$49.6 million, compared with the loss of HK$138.2 million last year
- Equity attributable to owners of the company stable at HK$621.5 million (HK$625.5 million last year)
- Group net cash balances of HK$103.3 million (HK$301.3 million last year)

RESULTS

The board of directors (the “Board”) of IDT International Limited (the “Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended March 31, 2011, together with comparative audited figures for the year ended March 31, 2010 are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended March 31,	
		2011	2010
	NOTES	**HK$'M**	HK$'M
Turnover	3	**1,623.6**	1,394.9
Cost of goods sold		**(1,090.9)**	(903.9)
Gross profit		**532.7**	491.0
Other income		**12.5**	33.0
Other gains and losses		**(39.2)**	(37.8)
Research and development costs		**(86.6)**	(84.6)
Distribution and selling expenses		**(266.1)**	(286.5)
General administrative expenses		**(191.8)**	(197.5)
Interest on bank and other borrowings wholly repayable within five years		**(7.1)**	(9.3)
Loss before taxation	4	**(45.6)**	(91.7)
Taxation	5	**(1.6)**	(63.3)
Loss for the year		**(47.2)**	(155.0)
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		**12.0**	16.3
Total comprehensive expenses for the year		**(35.2)**	(138.7)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(49.6)**	(138.2)
Non-controlling interests		**2.4**	(16.8)
		(47.2)	(155.0)
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		**(37.5)**	(122.0)
Non-controlling interests		**2.3**	(16.7)
		(35.2)	(138.7)
Loss per share			
- Basic and diluted	6	**(1.98) HK cents**	(5.53) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**At March 31 2011 HK$'M**	At March 31 2010 HK$'M (Restated)	At April 1 2009 HK$'M
Non-current assets				
Property, plant and equipment		**132.9**	171.1	219.7
Intangible assets		**46.8**	60.0	78.8
Goodwill		**34.1**	33.9	34.0
Available-for-sale investments		**0.4**	-	-
Deferred tax assets		**38.9**	38.1	45.8
		253.1	303.1	378.3
Current assets				
Inventories		**295.7**	207.3	249.1
Trade and other receivables	7	**264.6**	274.8	306.3
Tax reserve certificate		**-**	-	43.5
Taxation recoverable		**0.4**	0.9	0.4
Held for trading investment		**5.7**	9.9	-
Forward contract assets		**-**	0.1	-
Short term bank deposits		**74.2**	158.6	-
Bank balances and cash		**340.9**	524.0	632.4
		981.5	1,175.6	1,231.7
Current liabilities				
Trade and other payables and accruals	8	**273.0**	249.8	219.9
Bills payables		**0.1**	0.8	1.0
Obligations under finance leases due within one year		**0.1**	1.4	3.5
Forward contract liabilities		**12.4**	-	4.4
Taxation payable		**2.5**	20.5	14.6
Bank loans due within one year		**305.9**	373.8	330.6
Bank overdrafts		**5.8**	6.7	18.6
		599.8	653.0	592.6
Net current assets		**381.7**	522.6	639.1
Total assets less current liabilities		**634.8**	825.7	1,017.4
Non-current liabilities				
Obligations under finance leases due after a year		**0.1**	-	1.4
Deferred tax liabilities		**13.1**	13.2	17.7
		13.2	13.2	19.1
Net assets		**621.6**	812.5	998.3
Capital and reserves				
Share capital		**250.2**	250.2	250.2
Reserves		**371.3**	375.3	497.1
Equity attributable to owners of the Company		**621.5**	625.5	747.3
Non-controlling interests		**0.1**	187.0	251.0
Total equity		**621.6**	812.5	998.3

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated results were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), which also include Hong Kong Accounting Standards ("HKASs") and Interpretations, including Hong Kong (International Financial Reporting Interpretations Committee) Interpretations ("HK (IFRIC)-INT"), issued by the Hong Kong Institute of Certified Public Accountants ("the HKICPA"), and accounting principles generally accepted in Hong Kong.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Right Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) - INT 17	Distributions of Non-cash Assets to Owners
HK- INT 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 27 (as revised in 2008) "Consolidated and separate financial statements"

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries of the Group.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in HKFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate. For decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under HKAS27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognize the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from April 1, 2010 in accordance with the relevant transitional provisions.

The application of the revised Standard has affected the accounting for the Group's acquisition of additional interests in IDT Holdings (Singapore) Limited ("IDTS"), a non wholly-owned subsidiary of the Company and listed on the Singapore Exchange Securities Trading Limited, in the current year. In prior years, the discount on acquisition of additional interest in a subsidiary was recognised in profit or loss. The change in policy has resulted in the difference of HK$32.5 million between the consideration paid of HK$156.7 million and the carrying amount of non-controlling interests of HK$189.2 million being recognised directly in equity, instead of being recognised in profit or loss. Therefore, the change in accounting policy has resulted in an increase in loss for the year of HK$32.5 million. The change in policy has also resulted in the change of disclosure in the consolidated statement of cash flows. Changes in the Group's ownership interests in its subsidiaries that do not result in loss of control have been included in cash flows from financing activities instead of cash flows from investing activities. As a result, the cash consideration paid in prior year of HK$27.8 million was restated and included in cash flows from financing activities. The cash consideration paid in current year of HK$156.7 million has been included in cash flows from financing activities.

In addition, under HKAS 27 (as revised in 2008), the definition of non-controlling interest has been changed.

Specifically, under the revised Standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent. The new terminology is used in the consolidated financial statements.

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause"

Hong Kong Interpretation 5 "Presentation of Financial Statements – Classification by the borrower of a term loan that contains a repayment on demand clause" ("HK INT 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK INT 5 for the first time in the current year. HK INT 5 requires retrospective application.

In order to comply with the requirements set out in HK INT 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK INT 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amount of HK$188.7 million have been reclassified from non-current liabilities to current liabilities as at March 31, 2010. As at March 31, 2009, no bank loans that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause is noted. As at March 31, 2011, bank loans (that are repayable more than one year after the end of the reporting period had contain a repayment on demand clause) with the aggregate carrying amount of HK$104.1 million have been classified as current liabilities. The application of HK INT 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities.

<u>New and revised HKFRSs in issue but not yet effective</u>

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 [1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets [3]
HKFRS 9	Financial Instruments [4]
HKFRS 10	Consolidated Financial Statements [3]
HKFRS 11	Joint Arrangements [3]
HKFRS 12	Disclosure of Interests in Other Entities [4]
HKFRS 13	Fair Value Measurement [3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income [7]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets [5]
HKAS 19 (Revised 2011)	Employee Benefits [4]
HKAS 24 (Revised)	Related Party Disclosures [6]
HKAS 27 (Revised 2011)	Separate Financial Statements [3]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures [3]
HK(IFRIC)-INT 14 (Amendments)	Prepayments of a Minimum Funding Requirement [6]
HK(IFRIC)-INT 19	Extinguishing Financial Liabilities with Equity Instruments [2]

[1] Effective for annual periods beginning on or after July 1, 2010 and January 1, 2011, as appropriate.
[2] Effective for annual periods beginning on or after July 1, 2010.
[3] Effective for annual periods beginning on or after July 1, 2011.
[4] Effective for annual periods beginning on or after January 1, 2013.
[5] Effective for annual periods beginning on or after January 1, 2012.
[6] Effective for annual periods beginning on or after January 1, 2011.
[7] Effective for annual periods beginning on or after July 1, 2012.

HKFRS 9 Financial instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and Measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending March 31, 2014 and that the application of the new Standard may have an impact on classification and measurement of the Group’s available-for-sale financial assets but not on financial liabilities.

HKAS 1 (Amendments) is effective for annual periods beginning on or after July 1, 2012. The directors of the Company anticipate that HKAS 1 (Amendments) will be adopted in the Group’s consolidated financial statements for financial year ending March 31, 2015. The directors are in the process of assessing the impact of HKAS 1 (Amendments) and the directors anticipate that HKAS 1 (Amendments) will have an impact on the consolidated financial statements.

HKFRS 10 is effective for annual periods beginning on or after January 1, 2013. The directors of the Company anticipate that HKFRS 10 will be adopted in the Group’s consolidated financial statements for financial year ending March 31, 2014. The directors are in the process of assessing the impact on application of HKFRS 10 and the directors anticipate that HKFRS 10 will have an impact on the consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes. Turnover represents mainly Oregon Scientific branded sales (“Branded sales”) and Original Equipment Manufacturer and Original Design Manufacturer sales (“OEM/ODM Sales”).

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

	LCD consumer electronic products HK$'M	Electronic learning products HK$'M	Tele-communication, digital media and other consumer electronic products HK$'M	Total HK$'M
Year ended March 31, 2011				
Segment revenue				
Branded sales	**343.1**	**284.8**	**163.8**	**791.7**
OEM/ODM sales	**515.5**	**77.0**	**239.4**	**831.9**
Total segment revenue	**858.6**	**361.8**	**403.2**	**1,623.6**
Segment profit (loss)	**8.5**	**(15.1)**	**(7.8)**	**(14.4)**
Unallocated income				**1.4**
Unallocated expense				**(17.8)**
Loss on change in fair value of Financial assets classified as Held for trading investments				**(7.7)**
Finance costs				**(7.1)**
Loss before taxation				**(45.6)**
Year ended March 31, 2010				
Segment revenue				
Branded sales	344.4	302.0	121.9	768.3
OEM/ODM sales	368.1	99.4	159.1	626.6
Total segment revenue	712.5	401.4	281.0	1,394.9
Segment profit (loss)	8.0	(50.6)	(35.8)	(78.4)
Unallocated income				1.1
Unallocated expense				(21.4)
Discount on acquisition of Additional interest in a subsidiary				16.3
Finance costs				(9.3)
Loss before taxation				(91.7)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the both years.

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of discount on acquisition of additional interest in a subsidiary, interest income, unallocated expense such as central administrative cost and finance costs. This is the measure reported to the Group’s chief operating decision maker, for the purposes of resource allocation and performance assessment.

Information about major customers

The Group has a very wide customer base, no single customer contributed over 10% of the total revenue of the Group for both years.

4. LOSS BEFORE TAXATION

	2011 HK$'M	2010 HK$'M
Loss before taxation has been arrived at after charging:		
Directors' remuneration	**8.6**	9.5
Retirement benefits scheme contributions for other staff, net of forfeited contributions of HK$0.3 million (2010: HK$2.3 million)	**11.7**	11.0
Share option benefits expenses for other staff	**1.0**	0.2
Salaries for other staff	**306.2**	259.2
Others benefits for staff other than directors	**3.5**	7.2
Other staff costs	**322.4**	277.6
Total staff costs	**331.0**	287.1
Less : Staff costs capitalised in product development costs	**(15.6)**	(3.1)
Staff costs included in research and development costs	**(29.6)**	(12.4)
	285.8	271.6
Amortisation of product development costs included in research and development costs	**36.2**	39.2
Amortisation of patents and trademarks included in research and development costs	**0.7**	0.7
Auditors' remuneration	**4.7**	4.8
Cost of inventories recognised as expense	**1,080.9**	878.6
Depreciation of property, plant and equipment		
- held under finance leases	**1.3**	2.5
- owned by the Group	**60.3**	59.5
Operating lease rentals in respect of		
- office equipment and motor vehicles	**0.9**	0.6
- rented premises	**33.0**	34.5
Write down of inventories (included in cost of goods sold)	**10.0**	25.3
and after crediting to other income:		
Interest income	**1.4**	1.1
Sales of moulds and scraps	**2.4**	13.5
Discount on acquisition of additional interest in a subsidiary	**-**	16.3

5. TAXATION

The charge comprises:

	2011 **HK$'M**	2010 HK$'M
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax		
- current year	**(3.0)**	(4.1)
- over(under)provision in prior years	**2.0**	(46.1)
Taxation in other jurisdictions		
- current year	**(0.8)**	(0.1)
- underprovision in prior years	**-**	(9.7)
	(1.8)	(60.0)
Deferred taxation		
- Current year	**0.2**	(3.3)
	(1.6)	(63.3)

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of estimated assessable profit for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company for the year is based on the following data:

	2011 **HK$'M**	2010 HK$'M
Loss:		
Loss for the year attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	**(49.6)**	(138.2)

	2011	2010
Number of ordinary shares:		
Number of ordinary shares for the purposes of basic and diluted loss per share	**2,502,271,088**	2,502,271,088

The computation of diluted loss per share for the years ended March 31, 2011 and 2010 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 shares for both of the years.

7. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date at the reporting date.

	3.31.2011 **HK$'M**	3.31.2010 HK$'M	4.1.2009 HK$'M
0 to 30 days	**112.8**	132.5	125.0
31 to 90 days	**52.5**	39.6	37.3
Over 90 days	**26.9**	47.8	63.4
Trade receivables	**192.2**	219.9	225.7
Other receivables	**72.4**	54.9	80.6
Total trade and other receivables	**264.6**	274.8	306.3

The Group allows its trade customers a credit period normally ranging from letter of credit at sight to 90 days open account to customers with long business relationship and strong financial position.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$43.9 million (2010: HK$60.3 million) which are past due at the reporting date for which the Group has not provided for impairment loss as the directors assessed that the balance will be recovered based on their settlement records. The Group does not hold any collateral over these balances. The average age of these receivables is 43.2 days (2010: 79.7 days).

Aging of trade receivables which are past due but not impaired:

	2011	2010
	HK$'M	HK$'M
Overdue less than 30 days	**22.3**	17.0
Overdue 31 to 90 days	**2.8**	10.8
Overdue more than 90 days	**18.8**	32.5
	43.9	60.3

8. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	3.31.2011	3.31.2010	4.1.2009
	HK$'M	HK$'M	HK$'M
0 to 30 days	**77.5**	37.2	34.2
31 to 90 days	**22.6**	42.9	32.9
Over 90 days	**14.5**	12.6	22.3
Trade payables	**114.6**	92.7	89.4
Other payables and accruals	**158.4**	157.1	130.5
Total trade and other payables and accruals	**273.0**	249.8	219.9

FINANCIAL REVIEW

The year under review has seen some gradual global economic recovery which has improved business for consumer products companies. For the year ended March 31, 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 recorded last year. The increased turnover was attributable both to a slight recovery in the retail markets of America and Europe; and to new products and services that were provided during the year. The revenues from Oregon Scientific branded products increased modestly by 3% to HK$791.7 million, whilst the products and services provided by the ODM/OEM business increased by 33% to HK$831.9 million.

Gross profit was HK$532.7 million compared to HK$491.0 million last year, a growth of 8%. Implementing the “turn aging inventory into cash programme”, lowered the prices of certain slow moving items during the year, which in turn led to a decrease in overall gross margin from 35% to 33%, but reduced the slower moving inventory. A change in sales of both product offerings and channel mix, also had an impact on the gross profit margins.

Other income noticeably decreased by 62% last year, to HK$12.5 million, mainly due to the discount below asset value from acquisition of an additional interest in the public listed Singaporean subsidiary that was booked last year, but which is not allowed to be booked this year on the completion of the formal de-listing process, despite a profit having been earned, due to the change in international accounting standards.

Research and development expenditures on new products amounted to HK$86.6 million, being 5% of the Group's revenue for the year, which was similar to the 6% spent last year.

Distribution and selling expenses decreased 7% to HK$266.1 million compared to HK$286.5 million last year. As a percentage of total Group turnover, distribution and selling expenses were 16%, a decrease of 5% compared to last year. The general administrative expenses dropped by 3% to HK$191.8 million as a result of a relentless cost saving programme implemented throughout the year. Other gains and losses increased 4% to losses: HK$39.2 million compared to losses: HK$37.8 million last year.

Total operating expenses of the Group, including other gains and losses, research and development costs, distribution and selling expenses, and general administrative costs amounted to HK$583.7 million, a reduction of 4% against HK$606.4 million recorded last year. Total operating expenses, as a percentage of turnover was therefore 36%, and substantially lower than the 43% recorded last year.

Interest expenses for bank and other borrowings amounted to HK$7.1 million, down by 24% as compared to HK$9.3 million last year, following lower interest rates.

Taxation amounted to HK$1.6 million compared to HK$63.3 million last year. The substantial decrease in taxation was mainly due to the one time non-recurrent tax provision which had to be made last year, in relation to the offshore profits claims for the years of assessment from 1997/98 to 2008/09, having been disallowed.

The overall attributable loss for the year was HK$49.6 million. This was a significant improvement over the attributable loss of HK$138.2 million, recorded last year.

BUSINESS REVIEW

Oregon Scientific

Sales revenues from the Oregon Scientific brand were HK$791.7 million, being only a modest increase of 3% compared to HK$768.3 million achieved last year. The sales represented 49% of the Group's total sales. The group was able to maintain stable sales for Oregon Scientific branded products. The market environment still has a limiting affect on Oregon Scientific product distribution.

Time and Weather (T&W) is still the largest product category of Oregon Scientific and new product introduced in the year generated good income. Recent global climate changes provide significant market opportunities for the growth of the group Weather Stations. For the Sports and Outdoor (S&O) category, there was continued focus on Action Cameras and Heart Rate Monitors (HRMs). We entered into the untapped female fitness market with the new range of HRMs that tailored soft comfort wear for women. The ATC9K camera product is a Full HD, GPS action camera which this year won the major Consumer Electronics Show in Las Vegas Innovation Product Award (2011). Among the Electronic Learning Products (ELP), sales of Smart Globe product group continued to be good. In response to keen market competition and price erosion, the company 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. The Wellness product category proved to be high growth, with significant incremental sales compared to the previous year. The new Air Sanitizer product that applied state-of-the-art technology into home use products was accredited by the international CES Innovation Product Award (2011); IF Product Design Award (2011); and the Hong Kong Awards for Industries (2011).

The Group will be increasing research and development (R&D) investment in the coming year to increase the portfolio of products in T&W, S&O, ELP and Wellness product categories. The company is committed to creating leading-edge products based on appropriate advanced technologies allied to intuitive consumer insights. To leverage opportunities to increase market demand of personal and environmental well-being, the company is also committing additional resources to pioneer health-related products that should enhance people's lives.

From the market perspective, both US and the European markets are now showing sales growth. The demand for Oregon Scientific products in Greater China is improving and the group will invest in China to expand the geographical market coverage. The group is also expanding its distribution in other high growth potential markets, other than US and Europe, such as Turkey, Middle East, Latin America, Russia and Taiwan.

Value Manufacturing Services

LCD Consumer Electronic Products
Sales of this product segment increased by 21% to HK$858.6 million, accounting for 53% of the Group's total sales. The increase mainly arose from the business of ODM/OEM, which rose substantially by 40% to HK$515.5 million, whilst sales of Oregon Scientific brand products were HK$343.1 million, more or less the same figure as last year. The increased sales enabled the division to record improved operating results. However, LCD products as a category, is still subject to keen price competition.

To counter such cost pressures, the Group continues to develop and design higher-end innovative products, and incorporate new technologies. Closely collaborating with technology partners, continuous investments in R&D are being made, to improve the competitiveness of all new products. The Group endeavors to ensure that every product it creates, satisfies the perceived needs of customers, who typically have active lifestyles, appreciate new technologies, and are environmentally and health conscious. By leveraging the resources and capabilities of external subcontractors and partners in product development, the Group continues to optimize manufacturing and product development.

Electronic Learning Products
Sales of this segment amounted to HK$361.8 million, a drop of 10% compared with last year, representing 22% of the Group's total sales. 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.

Sales of Oregon Scientific products fell by 6% to HK$284.8 million and ODM/OEM sales decreased 23% to HK$77.0 million. This was largely attributable to decline in customer demand affected by significant cost increases in raw materials and labor.

To look forward, 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
The performance for this division in the year was very good with sales increased 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 Group will continue to invest in product and this should ensure the sustainability of this product segment.

For the new financial year, as the marine radio and the conference telephone sectors have fully recovered from the financial crisis, and several new innovative products will start shipment; it is expected that sales in the Tel division will maintain the growth momentum. Moreover, the Group will increase participation in more international exhibitions, to increase sales penetration and coverage.

OUTLOOK

The recovery of the major economies continues to remain uncertain and we do not expect that consumer confidence and sentiment will significantly improve in the coming year. In most western major markets, where we operate, the economies are in deficit; unemployment rates are high; currency exchange rates are volatile; and retail markets are weak. In China, where we source all our products, we are affected by rising costs of both labour and materials. All these factors give pressure to profit margins and make the predictability of our financial outlook uncertain. Nevertheless, the Group is continuing to take active measures to change our business model, market-by-market, as appropriate and to strive for continuous improvement:

- Innovation and development of a full product line in the categories of "Time and Weather"; "Wellness and Health"; "Sports & Fitness"; and for the "ELP" product lines, give strength and depth to the product offerings.

- Expansion in new markets and new channels, extending and strengthening the network and distributors, to broaden market channel coverage and facilitate better market penetration. New markets included expansion into the Latin Americas and Middle East.

- Strengthening "Oregon Scientific" as a global lifestyle, smart living brand mainly through integrated communication strategies. The established global customer call centres to integrate worldwide service levels and maintenance of customer databases.

- Streamline our internal operations by implementing a new business and management organization structures i.e., Value Manufacturing Services (VMS) which consolidates the core LCD consumer electronic products divisions; Telecommunications products division; and the Electronic Learning Products business. This new management and operations structure will allow the Group to realize long term savings and maximizing organizational effectiveness on a least cost basis.

- Establish Global core E-commerce expertise to manage Ecommerce websites; facilitate on-line marketing and web contents to ensure consistency; maximize and leverage the growth potential of this developing market channel.

Despite the uncertain global economic outlook, our strategy is to stay focused and to drive the execution of our business model; to achieve synergies within our operations; to streamline operating costs and overheads; and to invest in new higher margin products. With the measures being taken by management, allied to our continuing strong cash position, we are confident that the Group will continue to see substantial improvement, and to return to a healthy profit with a sound financial position.

WORKING CAPITAL

The inventory balance at March 31, 2011 was HK$295.7 million, increased by 43% compared to the HK$207.3 million at March 31, 2010. The considerable increase in stock level is seasonal and reflects the increased demand of the products in the high season sales, and throughout the financial year. And also the absolute figures achieved last year were at an historic low level which cannot readily be maintained, in a growing business. The inventory turnover increased from 84 days recorded last year, to 99 days this year.

Trade debtor balances at March 31, 2011 was HK$192.2 million, down by 13% compared to the HK$219.9 million shown at March 31, 2010 and this reflects improved collection capability for the year. Trade debtor's turnover improved to 43 days compared to that of last year of 58 days.

LIQUIDITY AND TREASURY MANAGEMENT

At March 31, 2011, the cash and bank balances of the Group, including the short term bank deposits, were HK$415.1 million (March 31, 2010: HK$682.6 million). The reduction is largely as a result of the privatisation process for the Singapore listed company explained below. And whereas the group figure shown last year was a consolidated one which means that it did include funds in Singapore that were not 100% owned by the shareholders of the company. The figures shown at March 31, 2011 are those which now are entirely at the disposal of the company, with no non-controlling interests therein.

During the year ended March 31, 2011, the Group generated its funds mainly from operating activities and bank borrowings. The net cash position (cash and bank balances less total borrowings and bills payables) at March 31, 2011 amounted to HK$103.3 million (March 31, 2010: HK$301.3 million). The reduction of $198.0 million is mainly due to the delisting of our Singaporean listed company project – where approximately HK$156.7 million was used to acquire the non-controlling interests of that company. The Group has throughout the year maintained sufficient financial resources to meet all working capital requirements and finances of its commitments and still has a surplus of net cash over all bank borrowings.

The Group's exposure to foreign currency stems mainly from the net cash flow and net working capital translation achieved in its overseas subsidiaries. Hedging of foreign currency exposures is arranged through a combination of natural hedges and forward forex contracts. At March 31, 2011, there were forward contracts in place to hedge against possible exchange movements of 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.

DEBTS AND GEARING RATIO

The total borrowings of the Group at March 31, 2011 reduced to HK$311.8 million (March 31, 2010: HK$381.3 million) which consisted of the short term bank loan of HK$311.7 million and bills payable of HK$0.1 million. The borrowings are mainly denominated in HK dollars and on a floating rates bases.

The debts incurred by the Group are mainly used for general corporate purposes, including capital or long term expenditures and working capital requirements.

Then gearing ratio (total borrowings over total equity) at March 31, 2011 and March 31, 2010 were approximately 50% and 47% respectively.

CHARGES ON GROUP ASSETS

At March 31, 2011, there were no finance charges on the Group's assets.

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment for the year ended March 31, 2011 amounted to HK$28.1 million (2010: HK$15.9 million) which was all used for business operations and product development. Source of funds were financed by internal resources and borrowings.

There were no material acquisitions or disposals of subsidiaries and associated companies in the course of the year ended March 31, 2011 except the acquisition of the total number of 38,875,750 shares of IDT Holdings (Singapore) Limited at Singapore dollars ("S$") 0.54 for each share, in cash, at an aggregate maximum consideration of S$20,992,905 (HK$156.7 million), in the second half of the year.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended March 31, 2011.

CONTINGENT LIABILITIES

At March 31, 2011, the Group had no contingent liabilities (2010: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

As at March 31, 2011, the Group had about 3,443 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 organizations of similar size and business nature and are reviewed annually. The components of employee's remuneration package consist 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 year ended March 31, 2011.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance. Throughout the year ended March 31, 2011, the Company has applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except for the deviation from CG Code provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer during the period from April 1, 2010 to July 11, 2010. The Group's compliance with the code 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 Annual Report.

REVIEW OF ACCOUNTS

The Audit Committee had reviewed with the management and the external auditors the results of the Group for the year ended March 31, 2011.

APPRECIATION

On behalf of the Board of Directors, I wish to express my gratitude to our shareholders and business associates for the continued support and extend our appreciation to our management team and staff members for their hard work and dedication in the past financial year.

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

Hong Kong, June 29, 2011

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

Website : http://www.idthk.com