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# Q2FY05 Financial Results

October 21, 2004

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Accelerated Thinking<sup>SM</sup>



Our financial call on October 21 will include remarks about future expectations, plans and prospects for IDT which constitute forward-looking statements for purposes of the safe-harbor provisions under applicable federal securities laws.

Actual results may differ materially from our forward-looking statements, as a result of various important factors, which are detailed in the Company's filings with the SEC. IDT does not intend to update the information provided in today's call and expressly disclaims any such duty, except as required by law.



Non-GAAP results referenced in this presentation exclude acquisition-related charges and other expenses and benefits that management believes are not directly related to our ongoing operations. These non-GAAP results are consistent with another way management internally analyzes IDT's results and may be useful; however, non-GAAP results are not in accordance with GAAP and may not be comparable to non-GAAP information provided by other companies. Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.



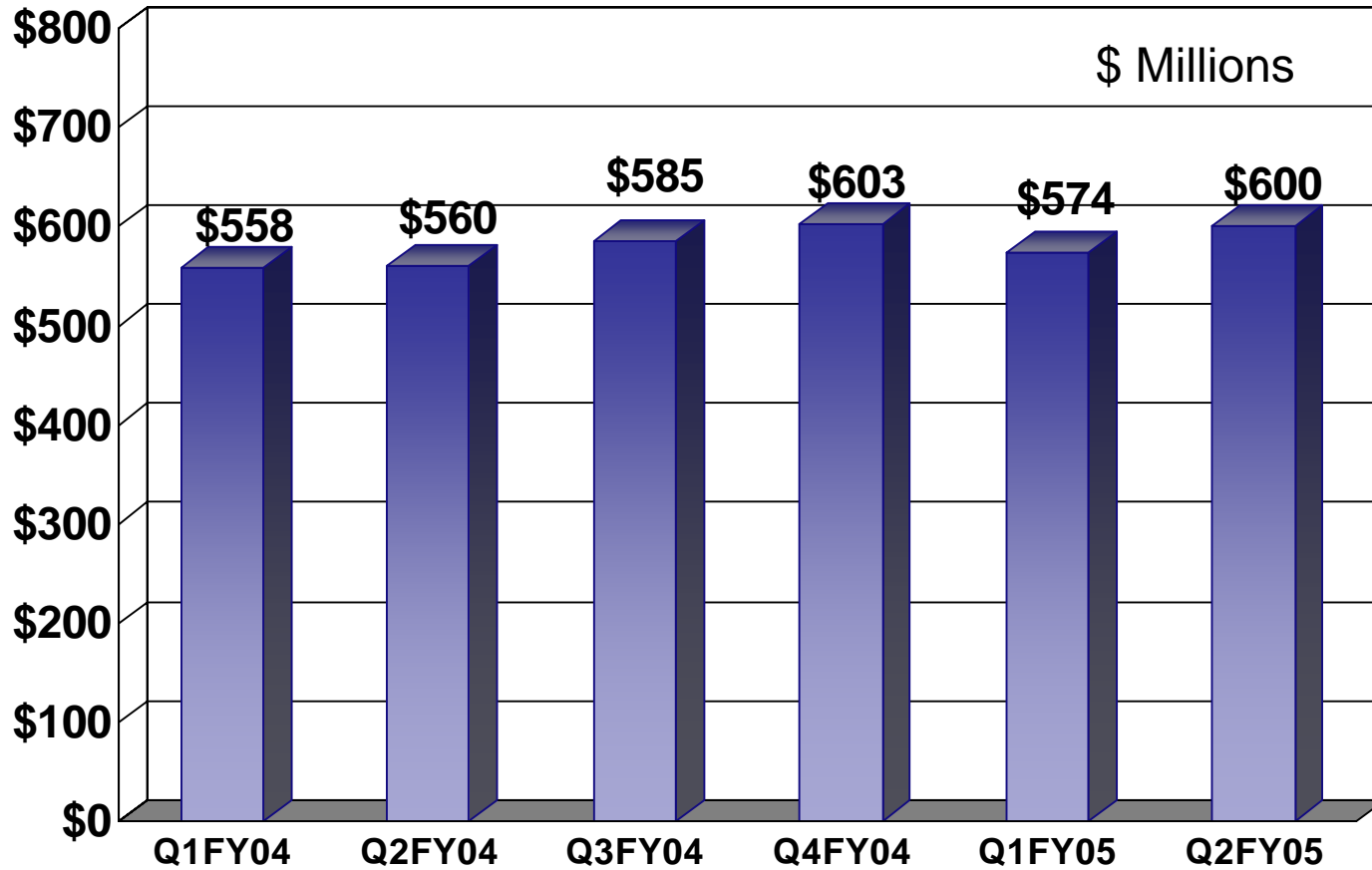
# Quarterly Financial Results

	<b>Q1FY05</b>	<b>Q2FY05</b>
<b>Revenues</b>	\$101.3 million	\$96.7 million
<b>Non-GAAP Net Income</b>	\$12.3 million	\$9.5 million
<b>Non-GAAP EPS</b>	\$0.11	\$0.09
<b>GAAP Net Income (Loss)</b>	(\$5.0) million	\$8.9 million
<b>GAAP EPS</b>	(\$0.05)	\$0.08

	<b>Q2FY04</b>	<b>Q2FY05</b>
<b>Revenues</b>	\$80.8 million	\$96.7 million
<b>Non-GAAP Net Income (Loss)</b>	(\$1.1) million	\$9.5 million
<b>Non-GAAP EPS</b>	(\$0.01)	\$0.09
<b>GAAP Net Income</b>	\$1.2 million	\$8.9 million
<b>GAAP EPS</b>	\$0.01	\$0.08



# Cash and Investments\* (net of debt)



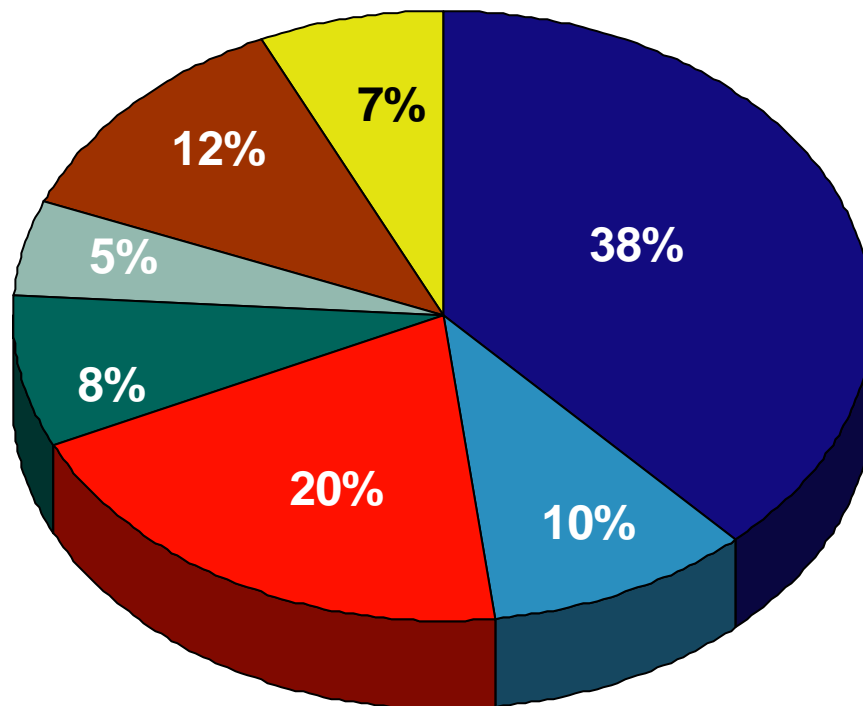
\*Excludes equity investments



# Revenue by Market Area\*

## Revenue Across All Products

- Enterprise Networking
- Carrier Networking
- Wireless Networking
- Access Communications
- Storage
- Computing
- Other



**Fiscal Q2 2005**

**\$96.7 million**

\*Customers frequently purchase IDT semiconductors to include in several of their product families, which may span multiple Market Areas. Customers generally do not provide IDT with actual information breaking down their usage of IDT products across Market Areas. Figures above represent IDT management estimates, based on limited sample data



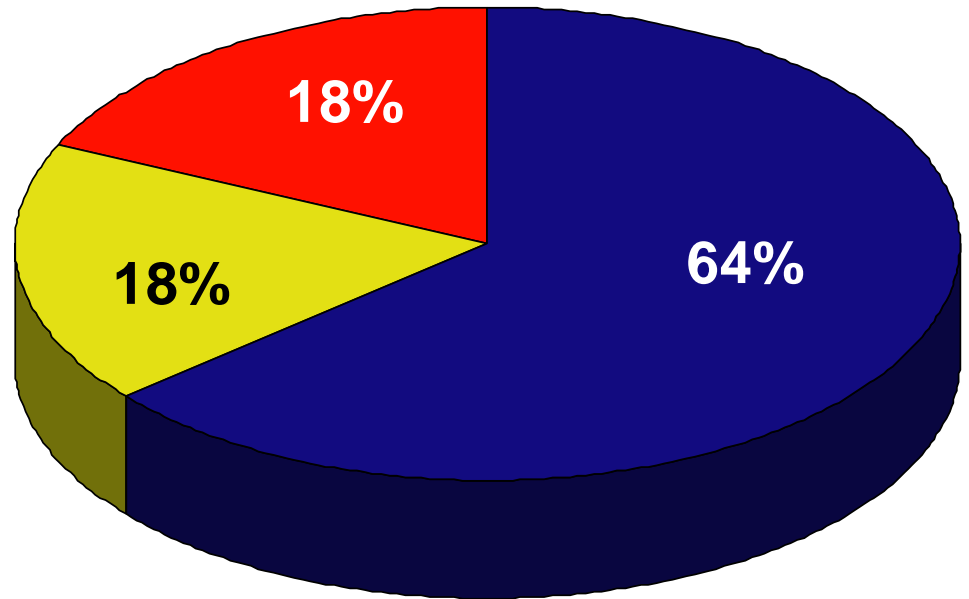
# Historical Market Area Revenue

	<b>FY04</b>	<b>Q1FY05</b>	<b>Q2FY05</b>
<b>Enterprise Networking</b>	38%	40%	38%
<b>Carrier Networking</b>	8%	9%	10%
<b>Wireless Networking</b>	21%	23%	20%
<b>Access Communications</b>	9%	8%	8%
<b>Storage Area Networks</b>	7%	5%	5%
<b>Computing</b>	9%	9%	12%
<b>Other</b>	8%	6%	7%



# Revenue by Product Area

- Communications ICs**
  - Network search engines
  - Content inspection engines
  - Integrated communications processors
  - Flow-control management ICs
  - Telecom products
  - FIFOs & Multi-ports
  - Serial Switching
- Logic and Clocks**
- SRAMs**



**Fiscal Q2 2005**

**\$96.7 million**





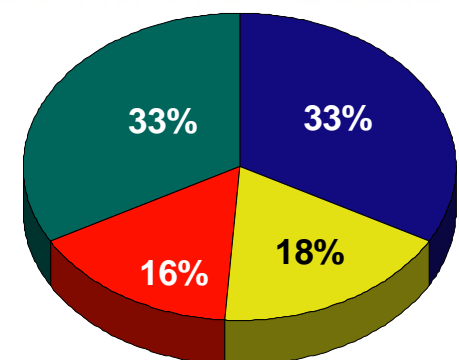
# Historical Product Revenue

	<b>FY04</b>	<b>Q1FY05</b>	<b>Q2FY05</b>
<b>Communications ICs</b>	66%	67%	64%
<b>Logic and Clocks</b>	19%	17%	18%
<b>SRAMs</b>	15%	16%	18%

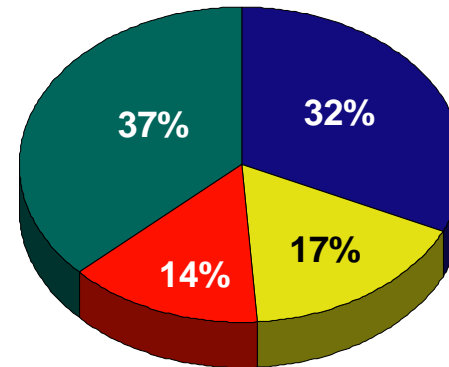


# Revenue By Geography

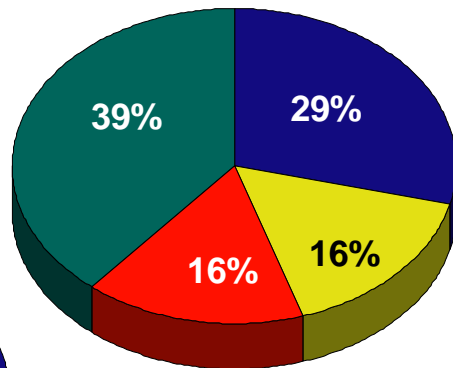
- Americas
- Europe
- Japan
- APAC



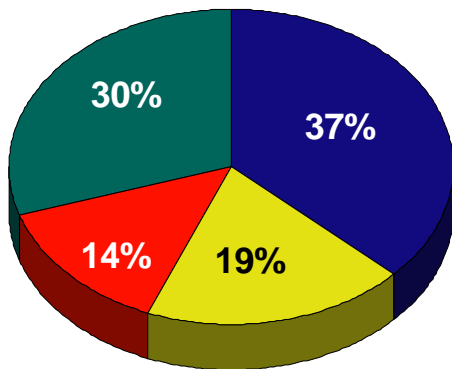
**Fiscal Q2 2005**  
\$96.7 million



**Fiscal Q1 2005**  
\$101.3 million



**Fiscal 2004**  
\$345.4 million



**Fiscal 2003**  
\$343.9 million



## IDT Announces Stock Repurchase Authorization

- IDT's Board of Directors has approved a stock repurchase program for the repurchase of up to \$50 million of its Common Stock.



## Recent Highlights

- Marking its 20th year listed on The NASDAQ Stock Market, IDT President and CEO Greg Lang publicly celebrated the company anniversary by opening the NASDAQ market on Friday, September 10, 2004 in New York.
- Celestica recognized IDT for its excellence in supplier performance with a 2003 *Partner in Performance* award. Celestica's annual *Partners in Performance* awards are given to suppliers in recognition of outstanding achievements and support of the company's electronics manufacturing services (EMS) goals. This marks the second year in a row IDT has received this accolade.
- The Company extended its technology leadership by unveiling details of its next generation network search engine (NSE) architecture. With its support for a wider interface, this is the first NSE architecture truly optimized for IPv6. Products based on this architecture will enable new levels of search performance and will integrate an error correction code feature to address potential soft errors, ensuring data integrity and compliance with stringent service level agreements.



## Recent Highlights (continued)

- IDT announced that Fujitsu Limited selected its IDT 75K62134 NSE to enable the delivery of advanced network services, including security, content load balancing and quality of service (QoS) within Fujitsu's enterprise-level IPCOM S2200 network server. More specifically, the IDT NSE offers the Fujitsu IPCOM S2200 network server a host of innovative features such as the MDL command that enables Fujitsu to optimize bandwidth throughput across the LA-1 interface of the NSE. The IDT 75K62134 also provides a system-level architecture model (SLAM) that gives Fujitsu extensive modeling capabilities and offers great technical support on its high-end modeling requirements.
- Validating its continued support for DDR2 dual in-line memory modules (DIMMs), IDT announced that Elpida Memory, Inc. selected the IDT DDR2 register and phase-locked loop (PLL) chip set for its 512 Mbit-based 2-Gbyte DDR2 registered DIMMs. The IDT DDR2 register and PLL chip set buffers clock, address and command signals on registered DIMMs for the server workstation market. IDT was the first company to introduce a complete DDR2 register and PLL chip set in November 2002.



## Recent Highlights (continued)

- IDT introduced new members of its multi-queue family of flow-control management (FCM) ICs. Among the new products is the IDT 72P51769, a 4-Mbit device that can access data from a single data bus and place the data into any of one to 128 queues, offering a 400 percent increase in queue partitioning when compared to previous offerings. This is an important improvement because it allows the device to replace at least four products previously required to perform the same functions, which translates to a significant savings in overall system costs.



Thank You



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