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Q1FY05 Financial Results

July 22, 2004

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Our financial call on July 22 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.



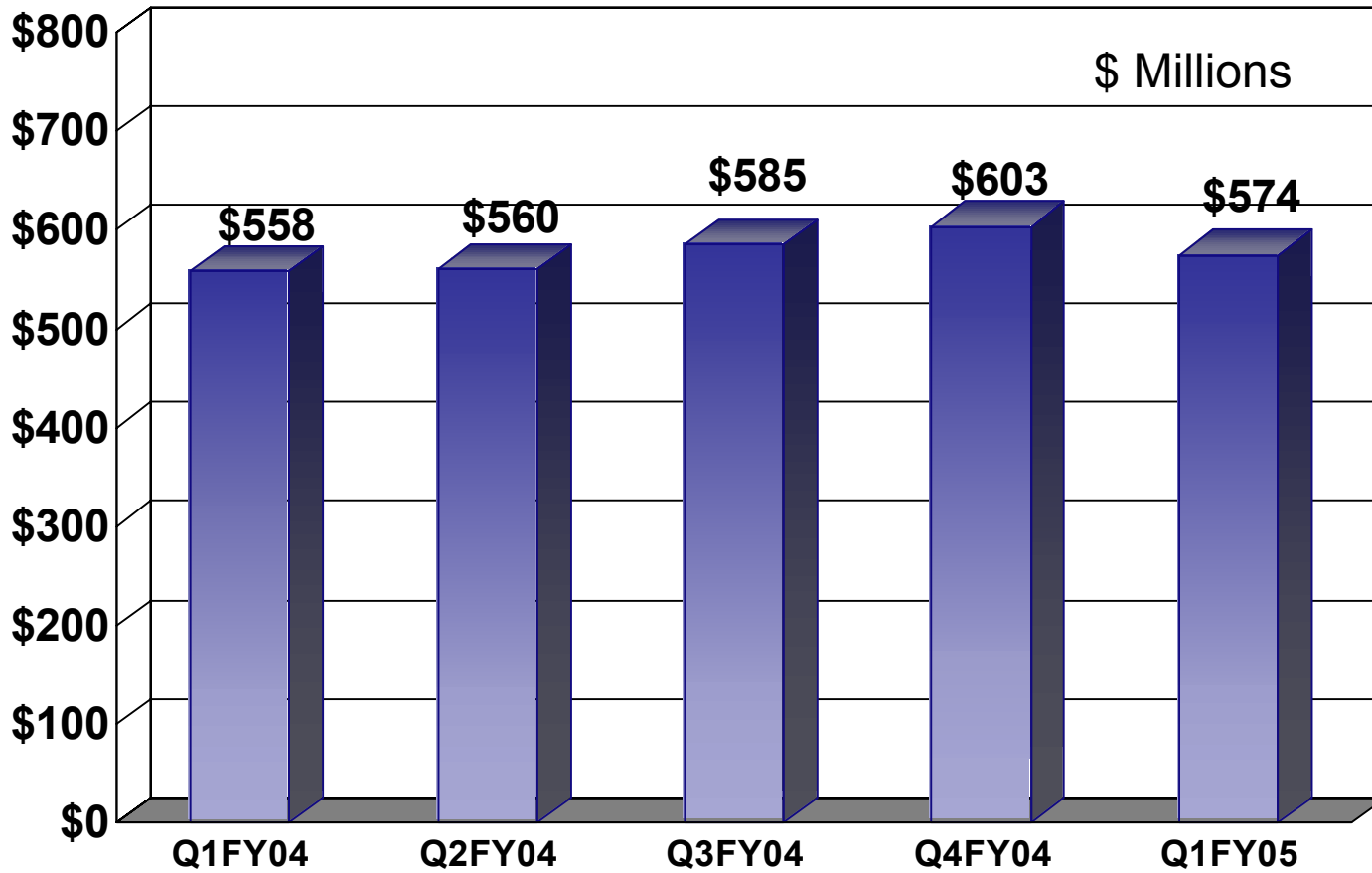
Quarterly Financial Results

	Q4FY04	Q1FY05
Revenues	\$94.5 million	\$101.3 million
Non-GAAP Net Income	\$9.3 million	\$12.3 million
Non-GAAP EPS	\$0.08	\$0.11
GAAP Net Income (Loss)	\$7.7 million	(\$5.0) million
GAAP EPS	\$0.07	(\$0.05)

	Q1FY04	Q1FY05
Revenues	\$83.0 million	\$101.3 million
Non-GAAP Net Income (Loss)	(\$4.8) million	\$12.3 million
Non-GAAP EPS	(\$0.05)	\$0.11
GAAP Net Income (Loss)	(\$4.8) million	(\$5.0) million
GAAP EPS	(\$0.05)	(\$0.05)



Cash and Investments* (net of debt)



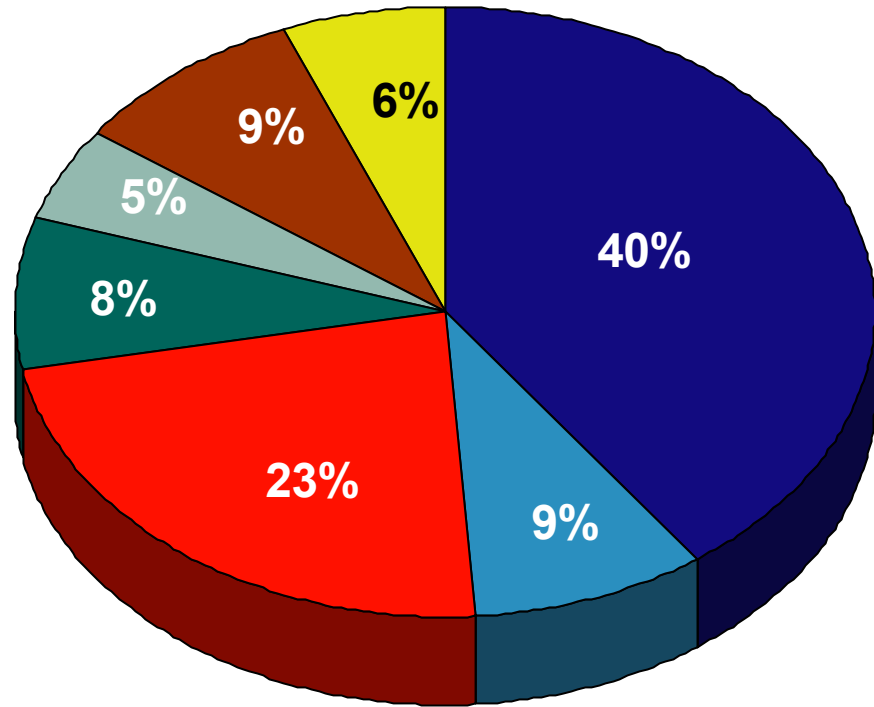
*Excludes equity investments and restricted cash



Revenue by Market Area*

Revenue Across All Products

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



Fiscal Q1 2005
\$101.3 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



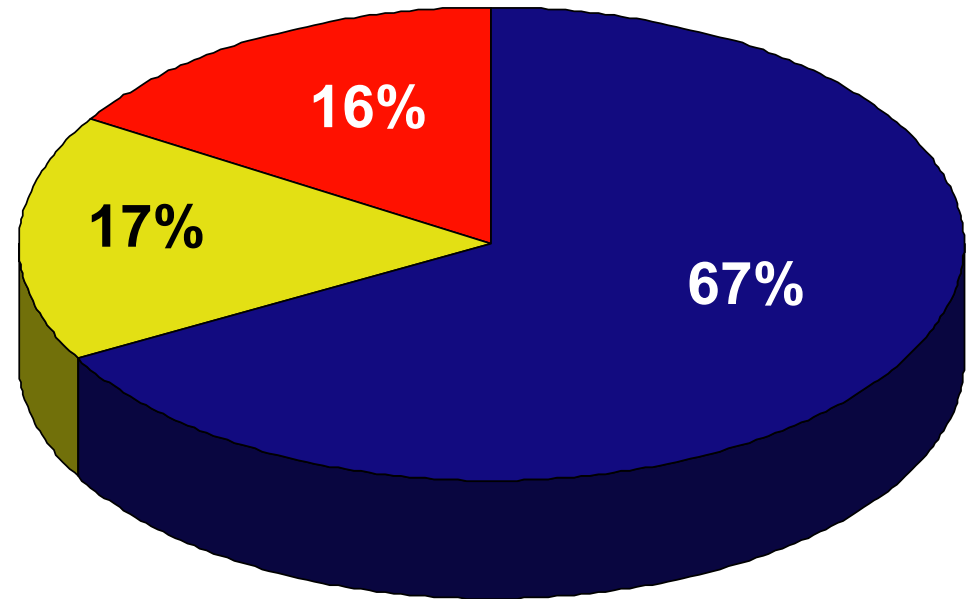
Historical Market Area Revenue

	FY03	FY04	Q4FY04	Q1FY05
Enterprise Networking	36%	38%	38%	40%
Carrier Networking	8%	8%	9%	9%
Wireless Networking	21%	21%	23%	23%
Access Communications	8%	9%	8%	8%
Storage Area Networks	7%	7%	6%	5%
Computing	11%	9%	8%	9%
Other	9%	8%	8%	6%



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 Q1 2005
\$101.3 million



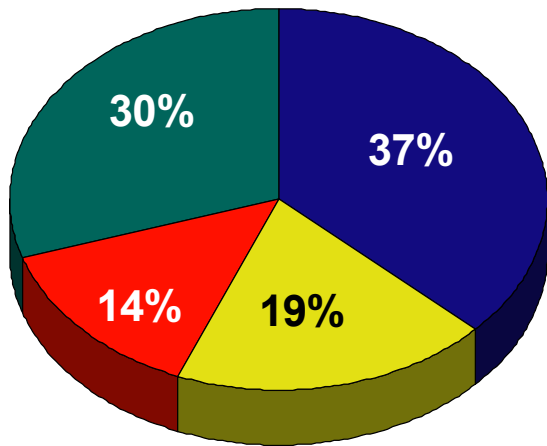
Historical Product Revenue

	FY03	FY04	Q4FY04	Q1FY05
Communications ICs	64%	66%	65%	67%
Logic and Clocks	21%	19%	19%	17%
SRAMs	15%	15%	16%	16%

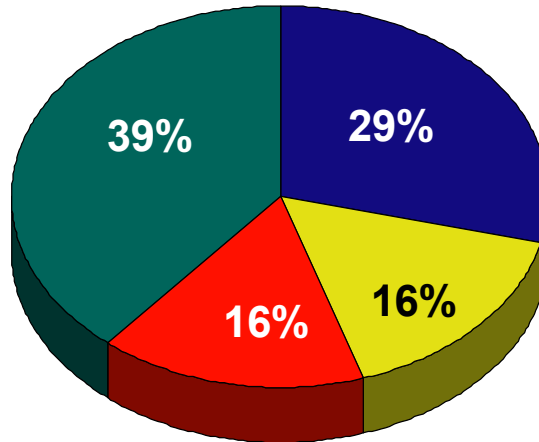


Revenue By Geography

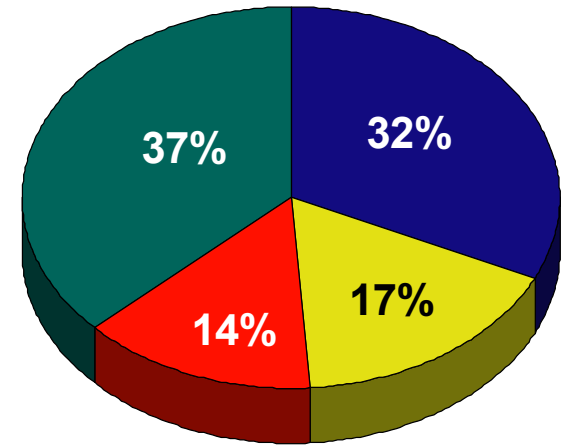
- Americas
- Europe
- Japan
- APAC



Fiscal 2003
\$343.9 million



Fiscal 2004
\$345.4 million



Fiscal Q1 2005
\$101.3 million



Historical Geographical Revenue

	FY03	FY04	Q4FY04	Q1FY05
Americas	37%	29%	28%	32%
Europe	19%	16%	17%	17%
Japan	14%	16%	14%	14%
APAC	30%	39%	41%	37%

Recent Highlights

- The Company finalized its acquisition of ZettaCom, Inc, which, together with resources from IDT, marks the formation of the Company's serial-switching division. IDT will support the Advanced Switching (AS) and PCI Express standards initiatives.
- The Company extended its leadership in the NSE space, with the introduction of the industry's lowest-cost NSEs. The high-performance devices deliver up to 50 percent cost savings when compared to competing NSE solutions and are ideally suited for cost-sensitive applications in the enterprise and access markets.
- IDT expanded its flow-control management product portfolio to include a family of packet-exchange devices that includes the industry's first system packet interface (SPI) exchange product that integrates switching, aggregation and rate adaptation of four lower-rate SPI-3 interfaces to the higher-rate SPI-4 interface. These products are fully compliant with industry-standard interface specifications and target VPN firewall cards, Ethernet transport and multi-service switches.



Recent Highlights (continued)

- Building on its portfolio of multi-port devices targeting the next-generation multimedia handset market, IDT introduced the industry's first family of tri-port devices. Enabling simultaneous access to the memory for three device ports, the IDT tri-port products provide a high-speed, bi-directional interface between three intelligent devices, such as an applications or baseband processor, digital multimedia broadcast (DMB) processor and an 802.11 processor.
- Building on its leadership position in timing solutions, IDT introduced the VersaTime™ family of highly versatile programmable timing devices targeted at a wide range of applications in the communications, storage and digital consumer and industrial markets. This product family represents the industry's first complete portfolio of programmable skew and zero-delay buffers with a non-volatile programming capability, allowing customers to consolidate and replace the large number of dedicated fixed-function clock devices used today to build timing networks.



Recent Highlights (continued)

- IDT furthered its presence in the PC clock space, introducing the industry's first four-PLL-based device targeting next-generation Intel desktop PC platforms for the performance and mainstream markets. Rounding out its portfolio of PC clock devices, IDT also unveiled a suite of three PLL-based PC clocks that are also targeted at the next-generation desktop PC market. These additions strengthen the IDT PC clock portfolio and position the Company to deliver innovative solutions that address the stringent requirements of the PC market.
- IDT received a bronze award from Stack International in recognition of its consistent level of achievement and overall performance in meeting high-quality delivery and service requirements during 2003. This is the second time in four years that IDT has been recognized as one of the top three suppliers.
- IDTI strengthened its executive management team in July with the appointment of Julian Hawkins as vice president of worldwide sales. Hawkins, a 20-year semiconductor industry veteran, will be responsible for the IDT worldwide sales organization. Hawkins joins IDT from Infineon Technologies, Inc., where he spent the last three years as vice president of sales for North America.



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Thank You

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