IDT Australia Limited
ASX Half Year report - 31 December 2007

Lodged with the ASX under Listing Rule 4.2A

Contents

IDT Australia Limited
Year ended 31 December 2007

Results for Announcement to the Market

				$'000
Revenue from ordinary activities	up	16%	to	14,308
Profit/(loss) from ordinary activities after tax attributable to members	up	31%	to	2,826
Net profit/(loss) for the period attributable to members	up	31%	to	2,826

Dividends/distributions	Amount per security	Franked amount per security
Interim dividend (31 December 2006)	4.5¢	4.5¢
Final dividend (30 June 2007)	5.5¢	5.5¢
Interim dividend (31 December 2007)	5.5¢	5.5¢

Record date for determining entitlements to the dividend: 14 April 2008

Periods

Current Period - Six months ended 31 December 2007.

Previous Corresponding Period - Six months ended 31 December 2006.

Report of Directors on Financial Results

- **Record first half year revenue- up 16% to $14.3 million**
- **Profit after tax up 31% for the half**
- **Dividend up 22% on corresponding half to 5.5 cents**
- **Earnings per share- 6.5 cents for first half**
- **Expectation of a significantly stronger second half and continued strong double digit profit growth**
- **IDT launches a new global growth strategy**

Financial Results
For the half year ended 31 December 2007, revenue for IDT was $14.3 million, an increase of 16% on the previous corresponding period (half year ended 31 December 2006) when revenue was $12.3 million. Profit before tax has increased by 31% from $3.1 million to $4.06 million. Profit after tax has increased 31% from $2.2 million to $2.8 million.

Earnings per share for the half year ended 31 December 2007 were 6.5 cents. Directors anticipate that earnings per share for the half year ended 30 June 2008, will be significantly stronger than the first half.

The Directors have declared a fully franked interim dividend of 5.5 cents per share, payable on 28 April 2008. This represents a 22% increase over the previous corresponding period.

Operational Activities
The strong performance for the half was driven by demand from international pharmaceutical companies for outsourcing of drug development and clinical manufacturing activities.

The IDT / Pfizer project is moving into the next clinical phase and continues to provide a significant contribution to IDT's bottom line. Additionally IDT is currently working with a number of US clients on the scale-up and validation of manufacturing processes for new API and drug products. On regulatory approval, these drugs are planned to be sold worldwide and they provide a solid basis for IDT's business growth projections.

During the reporting period, CMAX was successful in winning contracts for the provision of clinical services to Australian and international drug development companies running significant Phase I clinical trials.

Looking Forward
IDT's new "Future Directions" growth plan was launched in December, 2007. This strategy is designed to transform IDT into a high performing global organization that provides a sustainable business profit growth and shareholder return on investment which reflect outstanding performance.

"Future Directions" focuses on all areas of the business and will drive growth through investment in people, customer partnership, technology, infrastructure and focused acquisitions.

To ensure the execution of the growth strategy and to foster a greater global focus, IDT has recently strengthened its business development team and is looking to develop new international marketing alliances.

Under "Future Directions", IDT has also commenced a multiphase capital building program to service growing customer demand and future growth. The first phase involves the construction of two new containment API manufacturing facilities to be located at 55 Wadhurst Drive and the purchase of properties at 39 and 41 Wadhurst Drive, Boronia. IDT expects to have more than doubled its API manufacturing capacity for containment products by the end of 2008/2009. Additionally IDT has expanded the API manufacturing facilities dedicated to Pfizer by a factor of 10. As previously indicated, these facilities are due to come on line first quarter of 2008/2009.

The Board is confident that the foundation is laid for record revenue performance and strong double digit profit growth in the 2007/2008 financial year.

IDT Australia Limited
Income Statement
For the period ended 31 December 2007

	2007 $ 000	2006 $ 000
Revenue	14,308	12,351
Raw materials and consumables used	102	224
Employee benefits expense	6,155	4,961
Share based payment	90	97
Depreciation and amortisation expense	1,208	1,110
Borrowing costs expense	24	43
Utilities	550	290
Repairs and maintenance	284	278
Subject and Screenings	530	741
Insurance	195	176
Rent	206	196
Consultants	274	334
Travel	139	49
Other expenses from ordinary activities	492	758
Profit from ordinary activities before income tax expense	4,059	3,094
Income tax expense	1,233	936
Net profit attributable to members of IDT Australia Limited	2,826	2,158
Basic earnings per share	6.5¢	5.0¢
Diluted earnings per share	6.5¢	5.0¢

IDT Australia Limited
Balance Sheet
as at 31 December 2007

	31 Dec 2007 $ 000	30 June 2007 $ 000	31 Dec 2006 $ 000
CURRENT ASSETS			
Cash and Cash Equivalents	946	1,856	979
Receivables	9,924	9,945	9,063
Inventories	780	895	967
TOTAL CURRENT ASSETS	11,650	12,696	11,009
NON CURRENT ASSETS			
Property, plant and equipment	23,039	22,324	22,117
Intangible Assets	1,771	1,896	1,704
TOTAL NON CURRENT ASSETS	24,810	24,220	23,821
TOTAL ASSETS	36,460	36,916	34,830
CURRENT LIABILITIES			
Trade and Other Payables	1,906	2,038	1,804
Borrowings	350	576	570
Current tax liabilities	1,037	1,268	430
TOTAL CURRENT LIABILITIES	3,293	3,882	2,804
NON CURRENT LIABILITIES			
Borrowings	38	371	696
Deferred tax liabilities	1,293	1,382	1,384
Provisions	896	891	931
TOTAL NON CURRENT LIABILITIES	2,227	2,644	3,011
TOTAL LIABILITIES	5,520	6,526	5,815
NET ASSETS	30,940	30,390	29,015
EQUITY			
Contributed equity	15,381	15,383	15,384
Reserves	1,410	1,320	1,320
Retained profits	14,149	13,687	12,311
TOTAL EQUITY	30,940	30,390	29,015

IDT Australia Limited
Statement of cash flows
For the period ended 31 December 2007

	2007 $ 000	2006 $ 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	16,326	15,048
Payments to suppliers and employees	(11,036)	(10,195)
	5,290	4,853
Interest received	89	52
Interest and other costs of finance paid	(24)	(43)
Income taxes paid	(1,552)	(737)
NET CASH INFLOW FROM OPERATING ACTIVITIES	3,803	4,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,777)	(1,283)
Proceeds from sale of property, plant and equipment	50	215
Payments for research and development costs	(70)	(223)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,797)	(1,291)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(552)	(290)
Dividends paid	(2,364)	(1,932)
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES	(2,916)	(2,222)
NET (DECREASE) INCREASE IN CASH HELD	(910)	612
Cash at the beginning of the financial year	1,856	367
CASH AT THE END OF THE FINANCIAL YEAR	946	979

IDT Australia Limited
Supplementary Appendix 4D information

Changes in accounting policies

NIL

Fundamental errors

NIL

Extraordinary items

NIL

Segment note

The company operates in the pharmaceutical industry and in one geographic area, being Australia.

Discontinuing operations

NIL

Events occurring after reporting date

NIL

IDT Australia Limited
Supplementary Appendix 4D information

Additional dividend/distribution information

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2007 are as follows:

The directors have declared a final dividend of 5.5¢ for the period ended 31 December 2007. The record date for determining entitlements to the dividend is 14 April 2008, with a payment date of 28 April 2008.

Dividend/distribution reinvestment plans

Not Applicable

Retained Earnings

	31 Dec 2007 $'000
Retained earnings at the beginning of the period	13,687
Net profit attributable to members of IDT Australia Limited	2,826
Dividends paid	2,364
Retained profits at the end of the period	14,149

NTA Backing

	2007	2006
Net tangible asset backing per ordinary share	68¢	63¢

IDT Australia Limited
Supplementary Appendix 4D information

Controlled entities acquired or disposed of

Not applicable

Associates and Joint Venture entities

Not applicable

Foreign Accounting standards

Not applicable

Audit

This report is based on the half year financial report which has been subject to an independent review report.

IDT AUSTRALIA LIMITED
ACN 006 522 970

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2007

CONTENTS

Directors

Alan D Blackman, BA(Hons), LLB(Hons)
Non Executive

Dr Graeme L Blackman, BSc(Hons), PhD, FRACI, FTSE
Chairman

Robert Burnet, BA, MBA, MATEM, FPSA(Hon)
Non Executive

Geoffrey F Lord, BEco(Hons), MBA(Distn), ASSA, AICD
Deputy Chairman

Dr Geoffrey N Vaughan, AO, MSc, PhD, FRACI, FTSE
Non Executive

Dr Robyn Elliott, BSc(Hons), PhD
Managing Director

Secretary

Adrian McKenzie, BBus, ICAA

Principal Registered Office in Australia

45 Wadhurst Drive
Boronia Victoria 3155
(03) 9801 8888

Share Register

Computer Share Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Auditors

RSM Bird Cameron Partners
Level 8, Rialto Towers
525 Collins Street
Melbourne Victoria 3000

Bankers

National Australia Bank Limited
Level 2
151 Rathdowne Street
Carlton Victoria 3053

Stock Exchange

Australian Stock Exchange Limited
530 Collins Street
Melbourne Victoria 3000

DIRECTORS' REPORT - 31 DECEMBER 2007

Your directors present their report on the accounts of the Company for the half-year ended 31 December 2007.

Directors

The following persons were directors of IDT Australia Limited during the period for the half-year and up to the date of this report:

A D Blackman
Dr G L Blackman
R Burnet
G F Lord
Dr G N Vaughan
Dr R Elliott (Appointed 2 January 2008)

Review of Operations

The net result of operations after applicable income tax expense was a profit of $2,825,534 2006 $2,158,064).

Dividend

The directors have declared a fully franked dividend of 5.5 cents per share for the half year ending 31 December 2007. The record date for determining entitlements is 14 April 2008, with the dividend payment date being 28 April 2008.

Matters Subsequent to the End of the Financial Half Year

There are no matters or circumstances that have arisen since 31 December 2007 that have significantly affected or may significantly affect:

(a) the company's operations in future financial years,
(b) the results of those operations in future financial years, or
(c) the company's state of affairs in future financial years.

Significant Changes in the State of Affairs

There was no significant change in the state of affairs of the company, during the year.

Future Developments

At the date of this report, there are no likely developments in the operations of this company required to be reported in accordance with sub-section 299(1)(e) of the Corporations Act 2001.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on page 4.

Rounding of Amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australia Securities and Investments Commission, relating to the "rounding off" of amounts in the directors report and financial report. Amounts in the directors report and financial report have been rounded off to the nearest thousand dollars in accordance with the Class Order.

This report is made in accordance with a resolution of the directors.

Dr G L Blackman
Chairman

Melbourne, 19 February 2008.

RSM! Bird Cameron Partners
Chartered Accountants

Level 8 Rialto South Tower
525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial statements of IDT Australia Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

PHILLIP A RANSOM
Partner

19 February 2008
Melbourne

RSM Bird Cameron Partners
Chartered Accountants

Level 8 Rialto South Tower
525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

IDT AUSTRALIA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of IDT Australia Limited ("the company") which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001.* This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and

- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

As the auditor of IDT Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of IDT Australia Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

PHILLIP A RANSOM
Partner

Melbourne
19 February 2008

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 8 to 14:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(b) give a true and fair view of the Company's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that IDT Australia Limited will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the directors.

Dr G L Blackman
Chairman

Melbourne, 19 February 2008.

INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	2007 $ 000	2006 $ 000
Revenue	14,308	12,351
Raw materials and consumables used	102	224
Employee benefits expense	6,155	4,961
Share based payment	90	97
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Consultants	274	334
Insurance	139	176
Other expenses from ordinary activities	492	758
Profit from Ordinary Activities before Income Tax Expense	4,059	3,094
Income Tax Expense	1,233	936
Net Profit attributable to members of IDT Australia Limited	**2,826**	**2,158**

	Cents	**Cents**
Basic earnings per share	6.5¢	5.0¢
Diluted earnings per share	6.5¢	5.0¢

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
AS AT 31 DECEMBER 2007

	31 Dec 2007 $ 000	30 June 2007 $ 000	31 Dec 2006 $ 000
Current Assets			
Cash and Cash Equivalents	946	1,856	979
Receivables	9,924	9,945	9,063
Inventories	780	895	967
Total Current Assets	11,650	12,696	11,009
Non-Current Assets			
Property, plant and equipment	23,039	22,324	22,117
Intangible Assets	1,771	1,896	1,704
TOTAL NON-CURRENT ASSETS	24,810	24,220	23,821
Total Assets	36,460	36,916	34,830
Current Liabilities			
Trade and other payables	1,906	2,038	1,804
Borrowings	350	576	570
Current tax liabilities	1,037	1,268	430
Total Current Liabilities	3,293	3,882	2,804
Non-Current Liabilities			
Borrowings	38	371	696
Deferred tax liabilities	1,293	1,382	1,384
Provisions	896	891	931
Total Non-Current Liabilities	2,227	2,644	3,011
Total Liabilities	5,520	6,526	5,815
Net Assets	30,940	30,390	29,015
Equity			
Contributed equity	15,381	15,383	15,384
Reserves	1,410	1,320	1,320
Retained profits	14,149	13,687	12,311
Total Equity	30,940	30,390	29,015

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	2007 $ 000	2006 $ 000
Total Equity at the beginning of the half year	30,390	28,692
Share based payment	88	97
Employee share options	-	-
Net Income recognised directly in equity	88	97
Profit for the half year	2,826	2,158
Total recognised income and expense for the year	2,914	2,255
Dividends	(2,364)	(1,932)
Total Equity at the end of the half year	30,940	29,015

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	2007 $ 000	2006 $ 000
Cash Flows from Operating Activities		
Receipts from customers	16,326	15,048
Payments to suppliers and employees	(11,036)	(10,195)
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Interest and other costs of finance paid	(24)	(43)
Taxes paid	(1,552)	(737)
Net Cash Inflow from Operating Activities	3,803	4,125
Cash Flows from Investing Activities		
Payments for property, plant & equipment	(1,777)	(1,283)
Payments for research and development costs	(70)	(223)
Proceeds from sale of owned property, plant & equipment	50	215
Net Cash Outflow from Investing Activities	(1,797)	(1,291)
Cash Flows From Financing Activities		
Repayment of borrowings	(552)	(290)
Dividends paid	(2,364)	(1,932)
Net Cash Outflow from Financing Activities	(2,916)	(2,222)
Net Increase (Decrease) in Cash Held	(910)	612
Cash at the beginning of the reporting period	1,856	367
Cash at the End of the Reporting Period	946	979

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by IDT Australia Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. INTEREST REVENUE AND EXPENSE

		31 Dec 2007 $ 000	31 Dec 2006 $ 000
Operating profit before income tax is arrived at after:			
a.	crediting interest as revenue	89	52
b.	charging interest as an expense	24	43

3. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	913	946
Deposits	33	33
	946	979

(a) The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flow as follows:

Balances as above	913	979
Bank overdraft	-	-
Balances per statements of cash flow	913	979

4. EQUITY SECURITIES ISSUED

	Half Year		Half Year	
	2007	2006	**2007**	2006
	Shares	Shares	$ 000	$ 000
Issues of ordinary shares during the half-year Issue for no consideration:				
Employee Share Plan	40,191	72,111	(2)	(1)
	40,191	72,111	(2)	(1)

5. DIVIDENDS

	31 Dec 2007 $ 000	31 Dec 2006 $ 000
Ordinary Shares		
Dividends provided for or paid during the half year	2,364	1,932
Dividends not recognised at the end of the half-year		
Since the end of the half-year the directors have recommended the payment of an interim dividend of 5.5 cents (2006 – 4.5 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed interim dividend expected to be paid on the 28 April 2008 out of retained profits at the end of the half-year, but not recognised as a liability is	2,364	1,932

6. FINANCIAL REPORTING BY SEGMENTS

The company operates predominantly in the pharmaceutical industry.

The principal activities of the company are provision of products and research and development and other technical services for the pharmaceutical and allied industries.

The Company operates predominantly in one geographical area being Australia.

7. EVENTS OCCURRING AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the reporting period which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.