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Company Announcements Office
Australian Stock Exchange Limited

MARKET UPDATE

In a challenging environment, IDT Australia Limited today confirms that the 2008/2009 first half financial results are on track to exceed the \$4 million pre tax profit achieved in the corresponding previous period.

It is however noted that business trading conditions have softened for both IDT and CMAX over the last eight weeks as pharmaceutical and biotechnology companies review their drug portfolios in light of the current economic conditions. In particular, Pfizer has provided IDT with an update to its antibiotic drug program which shows a staging in investment that requires IDT to reschedule some manufacturing activities into the 2009/2010 financial year.

In response to the changing climate IDT will continue to focus on new business development and are in the final stages of securing a number of new development and long term manufacturing projects with international clients. As previously advised, the company has no debt and as an exporter is in a position to benefit from the low Australian dollar. IDT expects the 2008/2009 second half profit to exceed the first half although the company goal of double digit growth for the full year may not be achieved.

As the changes in the Pfizer program are only a deferral into the next fiscal year, the IDT Board and management are confident that the company will show strong growth in the 2009/2010 financial year.

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