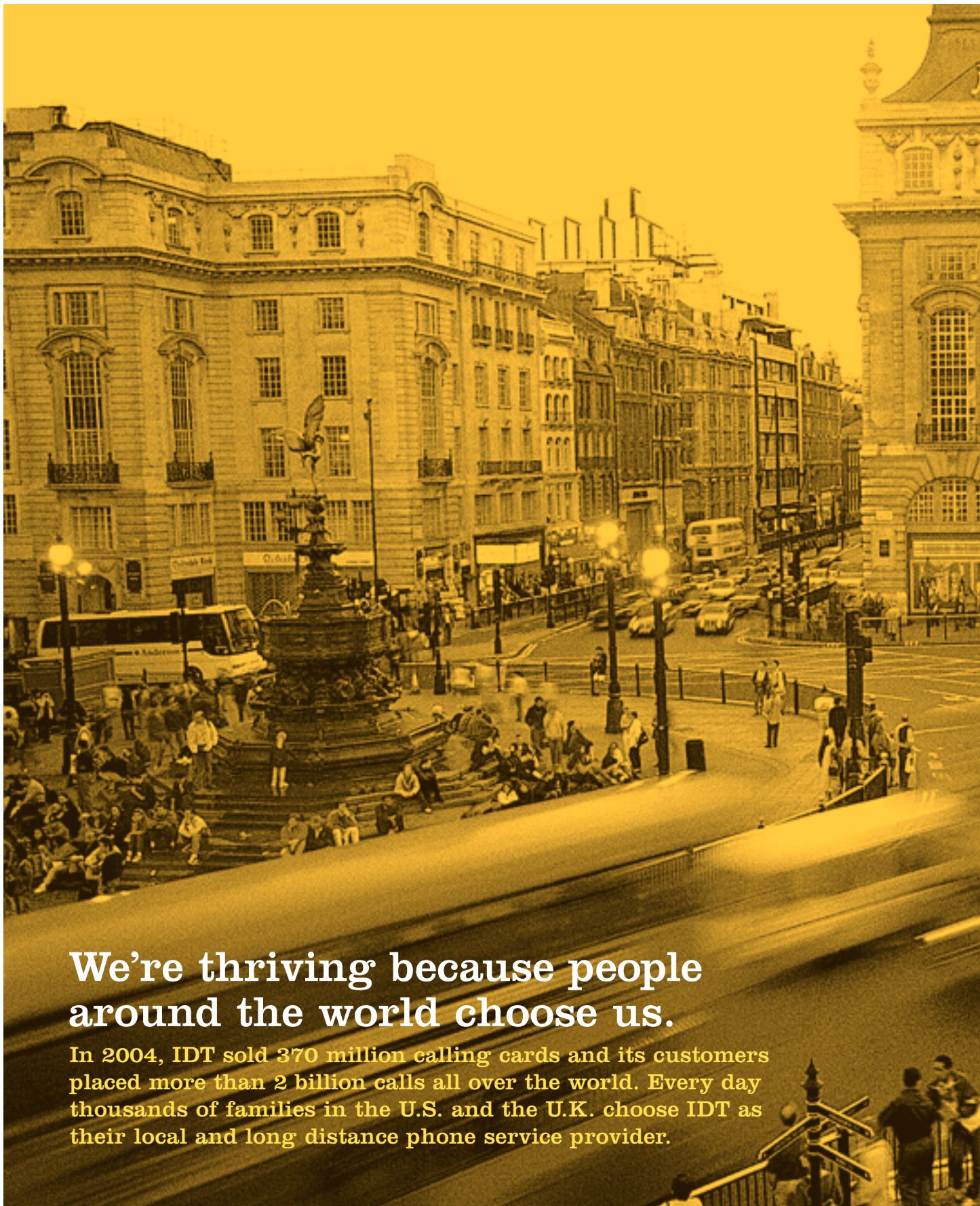




Many telecom companies
are just trying to survive
the industry shakeout.

IDT is thriving.



We're thriving because people around the world choose us.

In 2004, IDT sold 370 million calling cards and its customers placed more than 2 billion calls all over the world. Every day thousands of families in the U.S. and the U.K. choose IDT as their local and long distance phone service provider.



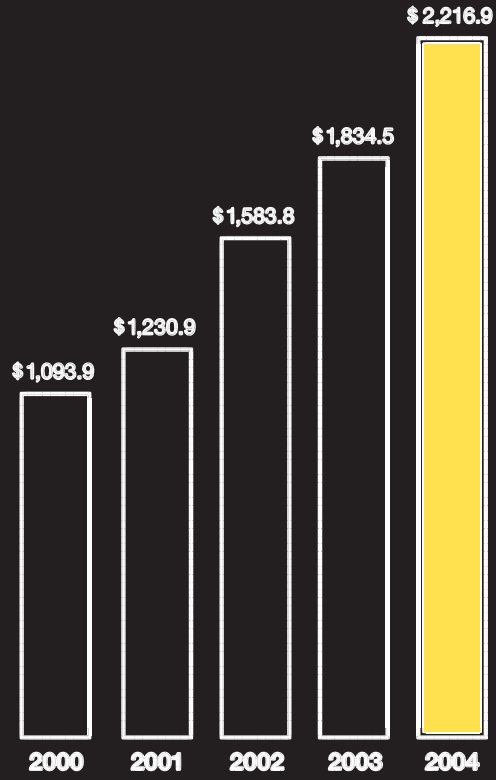
We're thriving because we've built the right infrastructure.

IDT has invested in an international fiber optic network, global switching facilities, and state-of-the-art VoIP technology. Our multilingual calling card platform handles millions of calls daily and supports the new generation of stored-value card technologies.

A photograph of a vast field of green crops, likely corn, under a bright, golden-yellow sky. Two utility poles with power lines are visible in the distance. The overall scene is bathed in a warm, sunlit glow.

We're thriving because we don't waste money.

IDT maintains one of the lowest cost structures in the telecom industry. That—along with a strong balance sheet—supports competitive pricing and strategic growth that will define our long-term success and increase our stockholder value.



IDT REVENUES
(In millions, fiscal years)

To Our Stockholders

A LETTER FROM HOWARD S. JONAS, CHAIRMAN OF THE BOARD

These are uncertain times for many in the telecom industry. As I write this letter, some of the most formidable industry names have begun to pull back from the consumer market, others have embarked on a series of unwelcome rate increases, and many are reporting revenue figures that range from modestly positive growth to serious declines. In time one or more once-venerable names in the industry might even disappear from the telecom scene.

IDT's experience, however, is quite different. This year brought us record levels of revenue, an all-time high for minutes of use, robust growth in our international calling card business, and rapid expansion across the United States as a provider of local and long distance phone service.

How did this come to pass? Why is IDT doing so well at a time when other telecom companies are struggling?

Three of the most tangible reasons are that we have a global customer base that keeps growing, we are committed to building a sophisticated telecom infrastructure, and above all we have a cost structure that, I believe, is the envy of our competitors. On the following pages, our CEO, James Courter, elaborates on all of this.

In my view, there is another important difference that sets us apart. IDT is a company that refuses to pretend that today is the same as yesterday or will be the same as tomorrow.

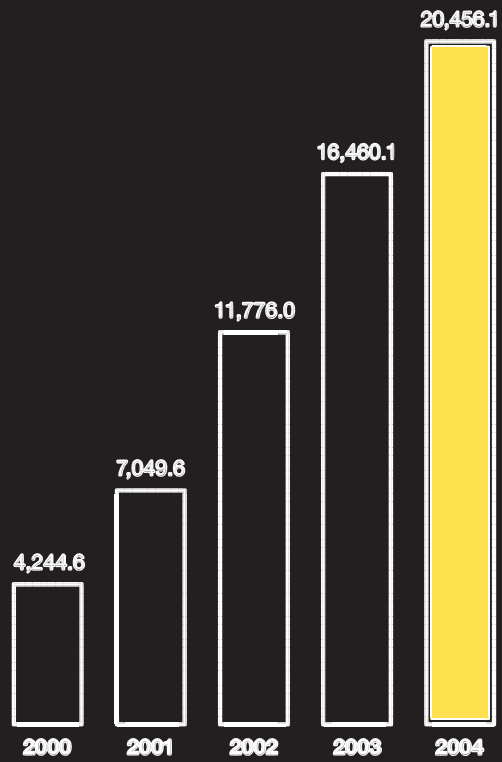
You can see it in the outstanding success we've had at serving the Hispanic, Asian, and African communities in the United States—consumers who have historically been poorly served by other telecom leaders. You can see it in the continued development of new innovative IDT products, such as stored-value and money transfer cards. You can also see it in the lightning rate at which IDT has propelled itself into the field of entertainment, particularly computer generated animation and video distribution, an important part of IDT's strategy for continued growth.

Every day we question our industries' assumptions, always looking for an edge that will keep us ahead of the pack. That's why IDT is thriving when many of our competitors clearly are not.

On behalf of the IDT management team, I thank you for your continued support.



Howard S. Jonas
Chairman of the Board



IDT TELECOM MINUTES
(in millions, fiscal years)

A Milestone Year

BY JAMES A. COURTER, VICE CHAIRMAN AND CEO

After a year in which it seemed that the sands were continually shifting under many companies in the telecom sector, I'm pleased to report that IDT is on firmer ground than ever before.

In fiscal 2004 our customers purchased more than 20.4 billion minutes of calling time—4 billion minutes more than in the year before. As a result, IDT achieved record annual revenues of more than \$2.2 billion, a 20.8 percent increase over the past year. Our flagship division, IDT Telecom, also posted record operating income of \$78.4 million.

Our business grew beyond telecom as well. In 2003 IDT had just dipped its toe into the \$8 billion computer generated animation industry. In 2004 we dove right in, with a string of strategic acquisitions and partnerships that boosted IDT Entertainment revenues twenty-fold. Judging from the performance we're already beginning to see from these investments, I'm confident that they will add significant stockholder value in the years to come.

In 2004 IDT held fast to its practice of fiscal responsibility. Our overhead and cost structure are among the lowest and most tightly managed in the industry. This allows us to consistently deliver high-quality services at very competitive prices. It has also contributed to a very healthy consolidated balance sheet: more than \$1 billion in cash, cash equivalents, and marketable securities at year-end, with virtually no long-term debt hanging over our heads.

Two other achievements are worth noting. In March 2004 *Fortune* Magazine announced that IDT had moved up to 746 on the current Fortune 1000 list—a 60-spot jump from our previous position. That same month *The Wall Street Journal* ranked IDT as the #1 Fixed-Line Telecom Company in its 2004 Shareholder Scoreboard for one-year returns, three-year average returns, and five-year average returns.

IDT's leadership was considerably enriched this year when Jeane Kirkpatrick, former U.S. Ambassador to the United Nations and National Security Council member, joined the IDT Board of Directors. The Board of IDT Telecom welcomed Leon E. Panetta, former Congressman and White House Chief of Staff; Leo Hindery Jr., former President and CEO of AT&T Broadband; Dov Zakheim, former Under Secretary of Defense and Chief Financial Officer of the Department of Defense; and Steven L. Pomerantz, former Assistant Director of the FBI.

The Board of IDT Entertainment welcomed Mark D. Carleton, Senior Vice President of Liberty Media Corporation and former partner of KPMG LLP.

Linda Chavez, President of the Center for Equal Opportunity and a nationally recognized political analyst joined the Board of IDT Capital, as did Dennis Reimer, former Commanding General and Chief of Staff of the U.S. Army.

Those are just the headlines from a milestone year. The IDT story only grows more interesting when you take a closer look into our businesses.

IDT TELECOM

Although our interests today range from animation and movie production to radio broadcasting, IDT is first and foremost a global leader in telecommunications. As I write this, IDT phone services are being used 4,000 times a minute to communicate all around the world.

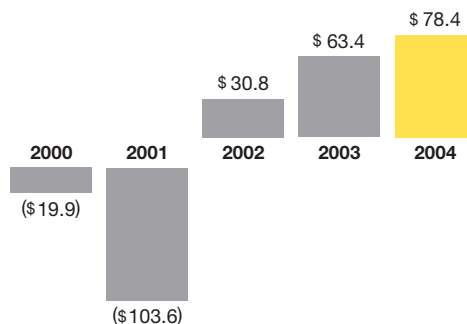
Our prepaid calling card business remains the bedrock of IDT Telecom. In fiscal 2004 we sold more than 370 million cards, which accounted for over 15 billion minutes of voice traffic and revenues in excess of \$1.2 billion. We market more than 300 brands of calling cards in the United States, including prepaid solutions cards for such companies as ExxonMobil, Walgreens and Sears, and over 85 different cards in Europe, Asia, and South America.

In one form or another, you can find IDT calling cards for sale in more than 350,000 locations worldwide.

IDT's approach to the calling card business is dramatically different from that used by traditional long distance companies. Instead of aiming wide demographically, we focus on the most rapidly growing ethnic and immigrant populations, including Hispanics, Asians, and Africans. Because of their close ties to family and friends in their native lands, these groups place a disproportionately high volume of international calls. For example, a recent AOL/Roper ASW survey found that 40 percent of U.S. Hispanics purchase prepaid calling cards to make calls outside the United States.

What's more, the immigrant groups we serve are less likely to have cell phones with competitive international rates or computers to use low-cost

IDT TELECOM OPERATING INCOME
(in millions)



From an operating loss of more than \$100 million three years ago, IDT Telecom has since produced steadily increasing operating profits.

VoIP (Voice over Internet Protocol) service. As a result, IDT customers are more likely to stick with our calling cards instead of switching to those alternatives. Incidentally, this isn't necessarily the case with many other large long distance companies. They are rapidly losing business to both wireless and VoIP.

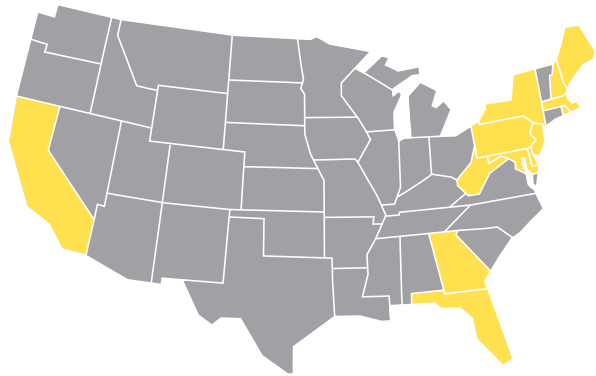
But IDT Telecom is clearly succeeding on more fronts than calling cards. Our residential phone service is gaining real momentum in both the United States and the United Kingdom.

Our America Unlimited service, a flat-rate plan of unlimited local and domestic long distance calling, is currently available in 13 U.S. states, and growing. We offer this service for \$39.95 per month in most states—a rate below that of most of our competitors—and nearly 300,000 customers have switched to IDT since it was launched in September 2003. We also offer a 5¢-per-minute domestic long distance plan and a number of value-priced international calling plans that are available throughout the country.

In the United Kingdom, we offer a number of residential phone service plans under the ToucanSM brand name. Toucan customers get unlimited landline calling within the U.K. for only £9.99 per month—while the incumbent service provider is 50% more expensive. In addition, Toucan offers some of that country's lowest rates for international calls and has a new ISP offer. To date, more than 75,000 customers have switched to Toucan.

You've no doubt noticed my frequent references to international calling. IDT Telecom is, in fact, one of the largest carriers of international voice traffic on the planet. In fiscal 2004 we carried more than 20 billion minutes to over 230 countries and IDT Telecom generated more than \$1.9 billion in revenues. Our network comprises more than 230 switches deployed on four continents, including seven international gateway switches, a global distributed SOFTswitch platform, and a backbone of IRUs and leased fiber optic lines, including capacity on 17 different cable systems worldwide.

IDT Telecom's "smart build" approach deploys capital only when existing or imminent telecommunications traffic justifies the expense. That's how we've avoided the industry's habits of overbuilding and overspending that



IDT's long distance phone service is available throughout the United States, while our local phone service is now offered in 13 states.

have plagued so many other telecom companies. We have also developed a least-cost routing system that continuously adjusts to changing market conditions to provide us with low rates for our call traffic—savings that we turn into a crucial competitive advantage.

Fiscal 2004 also proved to be a year of bold new moves for IDT Telecom. We launched Global AccessSM, an ingenious service that enables cell phone users—regardless of whom their wireless provider is—to place their international calls through us. We were selected by AOL Latino, the leading Internet service provider for U.S. Hispanics, as its exclusive online calling card provider. And we signed an agreement to provide international long distance phone service to Cablevision's Optimum VoiceTM digital voice over cable customers throughout the New York metropolitan area.

Before I leave the topic of telecom, I'd like to share my thoughts regarding the recent changes to federal regulations on wholesale lease rates. Some in our industry have suggested that these changes will lead to higher lease rates, which may force us to raise the price of our bundled local and long distance service. For now that's just speculation. You can be sure that we've developed plans based on a wide range of possible scenarios, but we will not prematurely react to something that has not yet happened.

By continuing to focus on the right segments of the market, keep costs down, and seek new opportunities, IDT Telecom can continue to grow its business—even as some of its competitors are failing.

IDT ENTERTAINMENT

Telecommunications may be the lifeblood of IDT, but consistent with the entrepreneurial vision of our chairman and founder, Howard Jonas, we are also building a vertically-integrated entertainment company. In fact, some of the most exciting news that came out of our company this year was made by our new entertainment division.

Formed in 2003, IDT Entertainment has quickly evolved into an animation studio and entertainment company that creates, produces, and distributes both 2D and 3D animation content and is a leading distributor of home entertainment.

How did we grow this business from \$5 million in revenues to more than \$106 million in the span of just one year?

In December 2003 we acquired Anchor Bay Entertainment, a leading independent video distributor of home entertainment properties to large

retail chains and other outlets. Anchor Bay has a strong presence in the children's, fitness, and horror genres. That month we also acquired a controlling stake in Mainframe Entertainment, a leading 3D animation producer for TV and direct-to-video/DVD products with a growing presence in video game animation.

In March 2004 we acquired DKP Effects, a 3D animation and special effects production company that has worked for some of Hollywood's top studios.

May was a particularly busy month. First, we acquired a minority equity interest in POW! Entertainment LLC, headed by comic book legend Stan Lee,

DECEMBER 2003	MARCH 2004	MAY 2004
Anchor Bay Entertainment	DKP Effects	Manga Entertainment
Mainframe Entertainment		POW! Entertainment LLC

IDT Entertainment completed several strategic investments in Fiscal 2004.

co-creator of *Spider-Man*, the *Hulk*, and the *X-Men*, among other famous superhero characters.

We also arranged for Mr. Lee to create new characters and ideas for us. Soon afterward, we announced a joint venture with Todd McFarlane Productions to

develop, produce, and distribute animated programming and merchandise based on the Emmy-winning *Spawn*[™] franchise. The very next day, we acquired Manga Entertainment, a film company specializing in the production and distribution of Japanese anime for home video, theatrical and television viewing.

Hardly catching our breath, in June we signed an exclusive agreement with Stephen J. Cannell Productions to market and distribute on video such hit television programs as *21 Jump Street*, *The Commish*, and *Hunter*. In July we agreed to partner with Rob Zombie, the multiplatinum rock musician, to produce an animated feature based on his popular comic book, *El Superbeasto*.

All of this was capped with yet another flurry of activity in September: a long-term distribution agreement with Twentieth Century Fox Home Entertainment; a partnership with skateboarding legend Tony Hawk that will result in a computer generated animated feature film for direct-to-video release; and still another celebrity partnership, this time with Harry Connick Jr., with whom we'll join forces to co-produce a one-hour animated holiday special.

There's more. IDT Entertainment is currently in production on 3D computer animated feature films for theatrical release. One is the final feature film directed by Christopher Reeve before his untimely death; another is based

on a concept by Gene Roddenberry, creator of *Star Trek*. We're also on track to start development on our animation projects with Stan Lee.

And we continue to provide animation services for such favorites as *The Simpsons*, *King of the Hill*, *Barbie*, *Popeye*, and *Inspector Gadget*.

In his letter to you, Howard Jonas said that IDT is a company which refuses to pretend that today is the same as yesterday or will be the same as tomorrow. Our robust foray into the world of popular entertainment is a vivid demonstration of that claim.

IDT CAPITAL

We are entrepreneurs at heart, and I believe that's one of IDT's greatest strengths. Although we devote most of our resources to growing IDT's presence in telecom and entertainment, it's essential to our future growth that we keep searching for other promising areas in which we can make a difference. IDT has a long history of investing in innovation, with the goal of creating incremental value for our stockholders. This process created both IDT Entertainment and Net2Phone.

To keep that spirit of innovation alive, IDT Capital's management team is charged with the formidable task of incubating and operating innovative business initiatives.

IDT Capital currently manages a number of promising businesses. WMET 1160 AM serves radio listeners across the Washington, D.C. metro area, including the region from Baltimore, Maryland to Richmond, Virginia. CTM Brochure Display delivers and distributes promotional brochures for clients to more than 10,000 locations in 25 states and Canadian provinces.

NET2PHONE

Net2Phone, our publicly traded subsidiary, is a leading provider of VoIP services to consumers and businesses worldwide, including cable operators, Internet service providers, wireless operators, and telecom providers.

Net2Phone enables toll-quality calls between computers, telephones, and broadband devices. Recognized as the first company to bridge the Internet with the public switched telephone network, Net2Phone has routed billions of minutes of traffic over its network. During the past nine years, Net2Phone has evolved from a low-cost provider of PC-based calling services to a next-generation provider of enhanced voice services.

Net2Phone offers service providers the tools to offer high-quality VoIP services to its customers. It can bundle its telephony alongside video, data, or other IP-based services. By outsourcing telephony deployment to Net2Phone, service providers can offer their customers competitive phone service at a fraction of the cost and time it would have taken to build and operate these services on their own.

Net2Phone's robust suite of services is designed to work across a variety of IP networks and is compatible with various VoIP standards. Supported by Net2Phone's global IP network, partners receive end-to-end reliability and quality of service.

We exercise voting control over Net2Phone and consolidate its financial statements with our own, although our equity position is approximately 18 percent. Net2Phone's common stock is traded on NASDAQ under the symbol "NTPP."

THE MILESTONES AHEAD

No matter how you look at it, fiscal 2004 was an important year in IDT's growth as a global company. What I find even more interesting, however, are the opportunities that lie ahead.

We have the opportunity to become one of the world's truly great telecom brands. We have the opportunity to become a household name in family-friendly entertainment. We have a practically unlimited opportunity to open up new markets, reach new customer groups, create new services, and explore entirely new fields.

I hope you share my enthusiasm, and I invite you to join us on the journey.



James A. Courter
Vice Chairman and CEO

FIVE-YEAR FINANCIAL HISTORY

In millions, except per share data
Fiscal years ended:

Telecom minutes billed

Revenues

Retail Telecom

Wholesale Telecom

Telecom Total

IDT Entertainment*

IDT Capital

IDT Solutions**

Voice over IP***

TOTAL REVENUES

Income (loss) from operations

Retail Telecom

Wholesale Telecom

Telecom Total

IDT Entertainment*

IDT Capital

IDT Solutions**

Corporate

Voice over IP***

TOTAL INCOME (LOSS) FROM OPERATIONS

Interest and other income (expense), net

Minority interests

Income taxes

Cumulative effect of change/extraordinary item

NET INCOME (LOSS)

Basic earnings per share

Net cash provided by (used in) operating activities

Capital expenditures

Investments and acquisitions, net of cash acquired

Year End Position

Cash and cash equivalents, marketable securities
and restricted cash and marketable securities

Working capital

Total assets

Long term debt consisting of capital lease
obligations – long term portion

* Effective fiscal 2004 we created a new reportable business segment, IDT Entertainment, to report the results of our animation and entertainment-related businesses. Prior to fiscal 2004, results for IDT Entertainment were consolidated with IDT Capital results (formerly called IDT Menlo Park and, before that, IDT Media). To the extent possible, comparative historical results for IDT Entertainment have been reclassified from IDT Capital to conform to the current business segment presentation, although these results may not be indicative of the results which would have been achieved had the revised business segment structure been in effect during those periods.

** Since acquisition of the Winstar assets (through which the IDT Solutions segment operates) in December 2001.

July 31, 2004	July 31, 2003	July 31, 2002	July 31, 2001	July 31, 2000
20,456.1	16,460.1	11,776.0	7,049.6	4,244.6
\$ 1,413.4	\$ 1,233.2	\$ 1,121.7	\$ 816.4	\$ 502.5
<u>524.5</u>	<u>405.5</u>	<u>289.3</u>	<u>388.1</u>	<u>520.5</u>
1,937.9	1,638.7	1,411.0	1,204.5	1,023.0
106.7	5.0	0.0	0.0	0.0
22.7	22.5	21.3	26.4	14.8
71.6	87.6	79.6	0.0	0.0
78.0	80.8	71.9	0.0	56.1
\$2,216.9	\$1,834.5	\$ 1,583.8	\$1,230.9	\$1,093.9
\$ 96.0	\$ 91.0	\$ 61.4	\$ (34.1)	\$ (11.5)
<u>(17.6)</u>	<u>(27.6)</u>	<u>(30.6)</u>	<u>(69.5)</u>	<u>(8.4)</u>
78.4	63.4	30.8	(103.6)	(19.9)
(0.6)	(2.4)	(0.9)	0.0	0.0
(21.2)	(6.6)	(131.1)	(265.6)	(39.1)
(112.5)	(88.8)	(96.6)	0.0	0.0
(44.2)	(48.8)	(26.4)	(63.5)	(31.7)
(21.9)	9.6	(216.0)	0.0	(125.9)
\$(121.9)	\$ (73.6)	\$ (440.3)	\$ (432.7)	\$ (216.6)
\$ 70.1	\$ 28.8	\$ 8.2	\$ 1,180.2	\$ 609.5
(34.3)	(43.0)	151.4	(5.7)	59.3
(9.6)	70.4	124.3	(209.4)	(218.4)
0.0	0.0	(147.0)	0.0	(3.0)
\$ (95.7)	\$ (17.5)	\$ (303.3)	\$ 532.4	\$ 230.8
\$ (1.09)	\$ (0.22)	\$ (4.04)	\$ 7.79	\$ 3.30
76.8	37.1	(36.3)	26.2	(77.1)
89.3	63.2	49.0	106.5	101.2
91.3	16.6	91.4	73.7	38.8
\$1,061.9	\$1,043.8	\$ 1,187.7	\$1,094.6	\$ 393.0
805.0	754.0	857.5	915.4	347.9
1,874.4	1,732.3	1,777.7	1,881.6	1,219.1
31.8	45.1	48.1	50.2	44.0

*** As a result of the sale of our majority stake in Net2Phone (our voice-over-IP segment) to AT&T on August 11, 2000, we did not consolidate Net2Phone results in fiscal 2001. Therefore, we did not have any voice-over-IP revenues and operating activities during fiscal 2001. Rather, we accounted for our investment in Net2Phone in fiscal 2001 under the equity method of accounting, with our pro rata share of Net2Phone losses being recorded in Equity in Loss of Affiliates. Effective October 23, 2001, we reconstituted our investment in Net2Phone.

Figures may not foot or cross-foot due to rounding to millions.

To Our Stockholders

A LETTER FROM WILLIAM F. WELD, CHAIRMAN OF IDT'S CORPORATE GOVERNANCE COMMITTEE

We at IDT are committed to the highest standards of corporate governance and ethical conduct. We believe that in this era of corporate distrust, adherence to the letter of law is not enough and that adherence to the spirit of the law is essential for stockholders to have full faith in the Company. Since becoming the Chair of the Corporate Governance Committee, I have witnessed IDT's commitment to the letter and spirit of the corporate governance reforms provided by the Sarbanes-Oxley Act of 2002 and the listing requirements of the New York Stock Exchange.

Our corporate governance policies in place today are designed to ensure transparency in our decision-making processes and accountability in our actions. They are designed to provide for independent oversight of the financial management of IDT. Our committee charters, codes of ethics and corporate governance guidelines (which are available for your review on our website) go further than the law requires to ensure transparency and integrity in everything from financial reporting to resolving potential conflicts of interest. Our Board of Directors, comprised of a majority of independent directors, and our management team are dedicated to integrity in the conduct of IDT's business.

We view our corporate governance efforts not as a burden, but as an opportunity to maintain your faith in us. The results of our efforts are to help us to deliver first-rate services and products to our customers and maximize stockholder return.

We look forward to a bright future, with your confidence in IDT well placed.

Cordially,



William F. Weld
Chairman, IDT Corporate Governance Committee

BOARD MEMBERSHIP

IDT CORPORATION

Chairman of the Board

Howard S. Jonas
Founder of IDT Corporation and
Jonas Publishing Corporation

Management Directors

James A. Courter
Ira A. Greenstein
Stephen R. Brown
Moshe Kaganoff
Marc E. Knoller
Joyce J. Mason

Independent Directors

J. Warren Blaker
Professor, Fairleigh Dickinson University,
former CEO of University Optical
Products, Inc.

Rudy Boschwitz
Chairman of the Advisory Committee of
the Center for Global Food Issues,
former U.S. Senator

Saul K. Fenster
President Emeritus of the New Jersey
Institute of Technology

James S. Gilmore III
Partner at Kelley, Drye and Warren LLP,
former Governor of the Commonwealth
of Virginia

Jack F. Kemp
Co-Chair of FreedomWorks
Empower America, former
9-term U.S. Congressman,
and former Secretary of HUD

Jeane J. Kirkpatrick
Professor at Georgetown University,
former U.S. Ambassador to the
United Nations, Member of
President Ronald Reagan's Cabinet
and National Security Council

Michael J. Levitt
Chairman and CEO of Stone Tower
Capital LLC, former Partner,
Hicks, Muse, Tate & Furst, Inc.

William F. Weld
Principal, Leeds Weld & Company,
former Governor of the Commonwealth
of Massachusetts

IDT TELECOM, INC.

Management Directors

James A. Courter
Howard S. Jonas
Jonathan Levy
Morris Lichtenstein
Kathleen B. Timko

Independent Directors

Leo Hindery, Jr.
Chairman of The YES Network, former
President and CEO of AT&T Broadband

Leon E. Panetta
Co-Director of Leon & Sylvia Panetta
Institute for Public Policy,
former Director of OMB and
Chief of Staff for President Bill Clinton

Steven L. Pomerantz
Principal, Steven L. Pomerantz and
Associates, former Assistant Director
of the FBI

Dov Zakheim
Former Under Secretary of Defense and
Chief Financial Officer of the Department
of Defense

IDT ENTERTAINMENT, INC.

Management Directors

Morris Berger
Stephen R. Brown
James A. Courter
Howard S. Jonas
Jonathan Reich

Independent Directors

Mark D. Carleton
Senior VP of Liberty Media Corp.,
former Partner at KPMG LLP

Reverend Eric Cosentino
Rector of the Episcopal Church of the
Divine Love in Montrose, New York

Rabbi Irwin Katsof
Executive Director of the Jerusalem
Fund of Aish HaTorah

Pete Wilson
Former Governor of California, U.S.
Senator, and Mayor of San Diego

IDT CAPITAL, INC.

Management Directors

James A. Courter
David Greenblatt
Howard S. Jonas
Moshe Kaganoff
Geoffrey Rochwarger

Independent Directors

Linda Chavez
President of the Center for Equal
Opportunity, syndicated columnist,
political analyst

Dennis Reimer
Former Commanding General of the
United States Army, Forces Command

George Rupp
President of the International Rescue
Committee, former President of
Columbia and Rice Universities

Herbert H. Tate
Of Counsel, Wolff & Samson, P.A.,
former President of the New Jersey
Board of Public Utilities

NET2PHONE, INC.

Management Directors

Liore Alroy
James A. Courter
Stephen Greenberg
Howard S. Jonas

Independent Directors

Harry C. McPherson
Partner at Piper Rudnick, LLP

Marc J. Oppenheimer
President and Chief Operating Officer,
Stone Harbor Capital Management

James R. Mellor
Chairman of USEC Inc.

Jesse P. King
Former VP and Chief Operating Officer,
Colorado Grants, Daniels Fund

Michael J. Weiss, M.D., Ph.D.

MANAGEMENT

IDT CORPORATION

James A. Courter
Chief Executive Officer

Ira A. Greenstein
President

Stephen R. Brown
Chief Financial Officer
and Treasurer

Marcelo Fischer
Chief Accounting Officer
and Controller

Joyce J. Mason
Senior Vice President,
General Counsel and Secretary

Marc E. Knoller
Senior Vice President

Moshe Kaganoff
Executive Vice President
of Strategic Planning

Diane Clark
Chief Legal Officer

IDT TELECOM, INC.

Morris Lichtenstein
Chief Executive Officer
and Treasurer

Jonathan Levy
President of Carrier Services

Norman Rosenberg
Chief Financial Officer

Yona Katz
Chief Operating Officer

Kathleen B. Timko
Chief Technology Officer

Avi Stokar
Chief Information Officer

Keith Mendelson
Executive Vice President
of Retail Operations

Robert Schwartz
Executive Vice President
of Corporate Development

John S. Ward
Executive Vice President
of Marketing

Marc Bodner
Executive Vice President
of European Operations

Ely D. Tendler
Executive Vice President,
General Counsel and Secretary

Jack Lerer
Executive Vice President
of International Business

Anthony Davidson
Executive Vice President
of Commercial Operations

Margaret Lockwood
Executive Vice President
of Prepaid Solutions

IDT ENTERTAINMENT, INC.

Morris Berger
Chief Executive Officer

John Hyde
Chief Operating Officer

Sam Abraham
Chief Financial Officer

Yehuda Wurtzel
CEO of DPS

IDT CAPITAL, INC.

David Greenblatt
Chief Executive Officer

Geoffrey Rochwarger
Chief Operating Officer

Larry Wiseman
President

NET2PHONE, INC.

Liore Alroy
Chief Executive Officer

Arthur Dubroff
Chief Financial Officer

Glenn J. Williams
Executive Vice President
of Business and Legal Affairs
and General Counsel

Jonathan Reich
Chief Executive Officer of
Net2Phone Global Services

David Lando
Chief Operating Officer of
Net2Phone Global Services

Michael Pastor
President of
Net2Phone Cable Telephony

ANNUAL MEETING OF STOCKHOLDERS

December 15, 2004
11:00 am
520 Broad Street
Newark, New Jersey
973.438.1000

AVAILABILITY OF FORM 10-K

IDT Corporation's Annual Report on
Form 10-K filed with the Securities and
Exchange Commission is contained in
this Annual Report to Stockholders.

OUTSIDE COUNSEL

McDermott, Will & Emery LLP
New York, New York

INDEPENDENT AUDITORS

Ernst & Young LLP
New York, New York

TRANSFER AGENT

American Stock Transfer
and Trust Company
New York, New York

STOCK EXCHANGE LISTING

The Class B Common Stock of
IDT Corporation is traded under the
symbol "IDT" and the Common Stock
is traded under the symbol "IDT.C"
on the New York Stock Exchange.

PRICE OF STOCK AND DIVIDENDS

On October 1, 2004, the last sales
price reported on the New York Stock
Exchange for the Class B Common
Stock was \$15.21 per share and for
the Common Stock was \$14.70 per
share. On the same date, there were
approximately 393 holders of record
of the Class B Common Stock and
approximately 325 holders of record
of the Common Stock.

The Company has never declared or
paid any cash dividends on its Class B
Common Stock or its Common Stock
and does not expect to pay dividends
for the foreseeable future. The Company's
current policy is to retain all of its
earnings to finance future growth. Any
future declarations of dividends will be
subject to the discretion of the Board
of Directors of the Company.

