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IDT Corporation Business Update Call Transcript

Question-and-Answer Session

Operator

Thank you. (Operator Instructions). Our first question is from Clay Moran with Stanford Group. Please go ahead with your question.

Clayton Moran – Stanford Group

Good afternoon. Thanks for taking my questions, I have a few. The first one on the numbers that you laid out, which comes to \$30 million in annualized cash flow, is that for fiscal year '09 or does that begin, I think you said the October quarter?

Unidentified Company Representative

What I said is that you will see black ink in the October to January quarter.

Clayton Moran – Stanford Group

Okay.

Unidentified Company Representative

You would see profitability; I was looking at calendar year '09. I guess mixed up with the fiscal quarter and so forth, but I am more looking at the quarter that starts in February going out a year. Because from that October to January period, you still going to have some of the costs that were involved in trimming down the operations.

Clayton Moran – Stanford Group

Okay. And then what you said about the telecom segment was interesting, why would you expand, double down on telecom, given you the commoditized nature of the business and the recent struggles you have endured there and what type of cash flow multiple would you pay for that business? And then lastly on that front, does that imply that you are unlikely to sell any of the telecom divisions as has been previously discussed?

Howard Jonas

Okay I think you misunderstood. I don't know what your talking about, doubling down? The business is a good business, its earning a profit. That profit is going to increase. When we are talking about a strategic combination, we are talking about a giant phone company making an investment into us so

that they can get the benefit of being connected to all the carrier in the world on a wholesale business and plugging into our hope prepaid distribution network on a retail basis so that together we can share the benefits of scale.

Jim Courter

Hi, Clay this is Jim Courter. Just so there is clarity with respect to that. If someone comes forward and wants to buy a piece of the telecom business, that's still on the table. But Howards is really looking at strategic partnership with a major international communications company particularly giving them scale, unimaginable scale on the carrier side.

Clayton Moran – Stanford Group Company

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