



PRESS RELEASE



Mumbai, May 28, 2013

INTRASOFT TECHNOLOGIES LIMITED REPORTS **33% GROWTH IN REVENUES FOR FY 2013**

IntraSoft Technologies Ltd (BSE: 533181, NSE: ISFT), owners of one of the largest electronic greetings website <http://www.123greetings.com>, today announced its unaudited consolidated financial results for the fourth quarter ended March 31, 2013 as well as the audited consolidated financial results for the year ended March 31, 2013.

Q4 FY2013 HIGHLIGHTS: (All comparisons are with Q4 FY2012 figures)

- Total income at Rs. 2,032 lacs up by 10% from Rs. 1,850 lacs

FY2013 HIGHLIGHTS: (All comparisons are with FY2012 figures)

- Total income at Rs. 8,824 lacs up by 33% from Rs. 6,627 lacs

On an annual consolidated basis, the company posted an income growth of 33.14%. From Rs. 6,627.84 lacs in FY2012, it went up to Rs. 8,824.21 lacs in the current year.

OPERATIONAL PERFORMANCE HIGHLIGHTS

- 123Greetings Store, the online gifting e-commerce business, recorded a total of 43,644 orders shipped during the quarter, averaging approx 485 orders / day, compared to 359 orders / day in the corresponding quarter of last year.
- 123Greetings Store expanded its product catalog significantly and during the quarter 71,052 products were listed on its websites & various marketplaces. The Company had an active base of 456 vendors as compared to 205 vendors in the corresponding quarter of last year.



- 123Greetings Ecards continued to maintain traction and witnessed an addition of 647 new cards in the quarter.
- 123Greetings Connect, a value added service saw the total number of registered users at 2,110,573 as on March 31, 2013, recording a growth of 22% compared to corresponding quarter of last year.
- 123Greetings Studio saw the total number of registered users at 23,643 as on March 31, 2013, recording a growth of 53% compared to corresponding quarter of last year.

FY2013 CONDENSED FINANCIAL STATEMENT OF OPERATIONS

Total Income:

	FY 2013	FY 2012	<i>(Rs. in Lacs)</i> Growth (%)
Total Income	8,824.21	6,627.84	33.14%

The Company generates revenue primarily from online advertising sales & online retail sales.

The growth in Total Income was led by an increase in online retail sales, as the Company expanded its product catalog by adding a large number of new vendors during the year. The Company had an active base of 456 vendors as compared to 205 vendors last year.

Additionally, the investments made by the Company in its technology infrastructure has started yielding impressive results. The Company has been able to scale its operations to handle the additional order volume seamlessly.

Expenditure:

	FY 2013	FY 2012	<i>(Rs. in Lacs)</i> Growth (%)
Product & Content Development	5,939.87	3,364.40	76.55 %
Sales and Marketing Expenses	1,178.90	925.62	27.36 %
General and Administrative Expenses	577.66	560.40	3.08 %



Employees Benefit Expenses	525.09	428.04	22.67 %
Depreciation	704.73	277.03	154.39 %
Total Expenditure	8,926.25	5,555.49	60.67 %

The Company experienced growth across all its product lines and accordingly increased spend on Product & Content Development, Sales & Marketing Expenses as well as General and Administrative Expenses. All of them are aligned to the Company's growth in Total Income.

Product & Content Development expenses increased during the year due to increase in costs incurred to handle additional capacity of orders, shipping and clearing inventory, as well as making substantial investments in vendor acquisition.

The Employees Benefit Expenses increased during the year due to increase in number of employees on account of growth in the Company's business operations.

Depreciation expenses have increased significantly during the year due to the additional investments made in the technology infrastructure during the last 2 years, the purchase of the office premises as well as new furniture and fixtures. Being a non-cash expense, this will not have any adverse impact on the Company's operations.

Operating EBITDA:

(Rs. in Lacs)

	FY 2013	FY 2012	Growth (%)
Operating EBITDA	602.69	1,349.38	-55.34 %

Operating EBITDA is defined as Total Income less Total Expenditure, without considering Other Income, Depreciation and Interest. The Company tracks Profit from Operations as a measure of core performance of its business activities.

The Operating EBITDA for the year decreased to Rs. 602.69 Lacs as compared to Rs. 1,349.38 Lacs in FY 2012.

Operating EBITDA is down during the year as the Company continued to invest in building up its operations to be able to service higher volumes. This resulted in higher costs incurred on additional infrastructure, manpower & systems. Given the nature of online sales, the company increased its staff



and other ancillary functions. These investments are necessary to support a model where returns are higher as the business scales.

Exceptional Item:

As part of the on-going review of operations & existing activities, the management reviewed the entire software resources of the Company. Based on technical assessment, Management found that certain software resources had outlived their utility and had been rendered obsolete due to changes in technology. Management decided to write off these software resources amounting to Rs. 1,498 lacs as an exceptional item as these software resources would not be contributing to future revenues. As the write off would be of a non-cash nature, this would not have any impact on cash flows.

MANAGEMENT'S STATEMENT:

Commenting on the results, Mr. Arvind Kajaria said, "For 123greetings ecards, the highlight of the last quarter was the launch of its mobile site located at <http://m.123greetings.com>. The site has been well received by the users and we have seen traction from the day of the launch itself. We will continue on invest in the product and aim to have ubiquitous presence across devices and platforms. Revenues from mobile advertising have been encouraging and we believe this will continue to add to the bottom-line in a significant way.

In summation, while the EBITDA has been impacted, substantial progress has been made in customer acquisition, vendor development and strengthening the supply chain. All of the above have been met with happy customers who will continue to patronize us whilst adding to the company's growing revenues. We believe the coming year should be a reflection of the overall progress".

ABOUT 123GREETINGS:

123Greetings.com is the world's leading online destination for human expressions reaching over 95 million visitors annually. Drawing from its tag line "Free Greetings for the Planet" the service exemplifies the notion that the best things are free in our planet and so should wishes, greetings and personal expressions be. Its offering of over 37,500 greeting cards covers a mix of 3,000 seasonal & everyday categories.



ABOUT INTRASOFT TECHNOLOGIES LIMITED:

IntraSoft Technologies Limited owns and operates <http://www.123greetings.com>, one of the most visited electronic greeting cards website in the world. The Company operates through its wholly owned subsidiaries in various geographies, which are 123Greetings.com, Inc. (USA), One Two Three Greetings (India) Pvt. Ltd. (India) & 123Greetings (Singapore) Pte Ltd. (Singapore).

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:

This document includes certain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company operates in the future. IntraSoft Technologies Limited may make additional written and oral forward looking statements and is under no obligation to update or alter its forward-looking statements to reflect actual results, changed assumptions or other factors.

Total Income for the year up by

33%

(₹ in Lakhs)

	Particulars	Quarter ended			Year Ended	
		31-03-2013	31-12-2012	31-03-2012	31-03-2013	31-03-2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Income					
	(a) Income from operations	2032.59	2902.12	1850.41	8824.21	6627.84
	(b) Other operating income	0.00	5.74	0.00	0.00	0.00
	Total income from operations	2032.59	2907.86	1850.41	8824.21	6627.84
2	Expenditure					
	(a) Product & Content Development	1635.16	1907.84	932.40	5939.87	3364.40
	(b) Sales and Marketing Expenses	267.39	425.46	241.70	1178.90	925.62
	(c) General and Administrative Expenses	235.49	135.38	222.46	577.66	560.40
	(d) Employees Benefit Expenses	113.13	116.16	87.70	525.09	428.04
	(e) Depreciation	122.83	204.68	105.97	704.73	277.03
	Total Expenditure	2374.00	2789.52	1590.23	8926.25	5555.49
3	Profit from operations before other income, finance costs and exceptional items (1-2)	-341.41	118.34	260.18	-102.04	1072.35
4	Other income	57.24	60.33	158.06	298.89	564.10
5	Profit before finance cost and exceptional items (3+4)	-284.17	178.67	418.24	196.85	1636.45
6	Finance costs	14.26	20.93	13.07	69.62	46.73
7	Profit before exceptional items (5-6)	-298.43	157.74	405.17	127.23	1589.72
8	Exceptional items :					
	Intangible Assets Write Off	1498.87	0.00	0.00	1498.87	0.00
	Less : Transferred from General Reserve	(1498.87)	0.00	0.00	(1498.87)	0.00
9	Profit from ordinary activities (7-8)	-298.43	157.74	405.17	127.23	1589.72
10	Tax expense (including excess / short provision w/back)	-371.38	75.36	114.55	-178.10	491.00
11	Net Profit from ordinary activities after tax (9-10)	72.95	82.38	290.62	305.33	1098.72
12	Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00
13	Net Profit for the period (11 +/- 12)	72.95	82.38	290.62	305.33	1098.72
14	Paid-up equity share capital of ₹ 10 each	1473.17	1473.17	1473.17	1473.17	1473.17
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				8033.84	9386.60
16	Earnings per share (EPS) (₹)					
	Basic and diluted EPS before and after extraordinary items	0.50	0.56	1.97	2.07	7.46
17	PARTICULARS OF SHAREHOLDING					
	(i) Public shareholding					
	- Number of shares	5981664	5981664	5981664	5981664	5981664
	- Percentage of shareholding	40.60	40.60	40.60	40.60	40.60
	(ii) Promoters and Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of shares	0.00	0.00	0.00	0.00	0.00
	Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	0.00	0.00	0.00	0.00	0.00
	Percentage of shares (as a % of the total share capital of the company)	0.00	0.00	0.00	0.00	0.00
	b) Non - encumbered					
	- Number of shares	8750014	8750014	8750014	8750014	8750014
	Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	100.00	100.00	100.00	100.00	100.00
	Percentage of shares (as a % of the total share capital of the company)	59.40	59.40	59.40	59.40	59.40
Standalone Information						
	Particulars	Quarter ended			Year Ended	
		31-03-2013	31-12-2012	31-03-2012	31-03-2013	31-03-2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	Revenue	107.77	575.52	625.30	1602.53	2139.10
	Profit before tax and exceptional items	-295.70	188.14	397.29	125.84	1582.08
	Profit after tax and exceptional items	77.67	113.08	282.92	307.66	1093.14

	Particulars	Quarter ended 31-03-2013
18	INVESTORS COMPLAINTS	
	Pending at the beginning of the quarter	0
	Received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	0



Scan this QR code to download Audited Financial Results for the Quarter and Year Ended 31st March, 2013.

Statement of Assets and Liabilities

Particulars	As at	
	31-03-2013 (Audited)	31-03-2012 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	1473.17	1473.17
(b) Reserves and Surplus	8033.84	9386.60
(2) Non-current Liabilities		
(a) Long-term Borrowings	0.00	9.00
(b) Deferred Tax Liabilities (Net)	364.87	537.87
(c) Other Long term Liabilities	43.39	33.10
(d) Long-term Provisions	36.74	33.15
(3) Current Liabilities		
(a) Short-term Borrowings	2813.50	2532.50
(b) Trade Payables	173.34	129.76
(c) Other Current Liabilities	266.97	559.92
(d) Short-term Provisions	173.08	172.05
TOTAL	13378.90	14867.12
II. ASSETS		
(1) Non-current Assets		
(a) Fixed Assets	6574.11	6670.86
(b) Non-current Investments	2869.90	3469.19
(c) Long-term Loans and Advances	32.63	61.56
(2) Current Assets		
(a) Current Investments	1100.00	715.73
(b) Inventories	59.28	369.71
(c) Trade Receivables	327.62	775.07
(d) Cash and Bank Balances	402.39	560.83
(e) Short-term Loans and Advances	1855.98	2080.49
(f) Other Current Assets	156.99	163.68
TOTAL	13378.90	14867.12

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 28th May, 2013.
- The Board of Directors recommended a Dividend @ 10% i.e. ₹ 1.00 per Equity Share for the financial year 2012-2013.
- As per the requirements of AS-17 issued as per Companies (Accounting Standards) Rules, 2006, no disclosure is required as the Company is operating in single business /geographical segment of Internet based delivery of services.
- The Consolidated Financial Results include the results of the Company's Wholly Owned Subsidiaries, viz. :-
- 123Greetings.com, Inc. (USA)
- 123Greetings (Singapore) Pte. Ltd. (Singapore)
- One Two Three Greetings (India) Pvt. Ltd. (India)
- The Company had raised Rs. 5365.00 lakhs through an IPO in March 2010. The amount raised from the said IPO was fully utilised as per the objects of the Issue and amendments thereof.
- The Standalone and Consolidated financial results of the Company for the quarter and year ended 31st March, 2013 are available on the Company's website www.itlindia.com
- Depreciation for the quarter is not comparable with the corresponding quarter of the previous year as previous year numbers are net of reversal of cumulative depreciation necessitated due to change in depreciation policy. During the quarter depreciation increased, in comparison with corresponding quarter of previous year, due to addition in tangible and intangible fixed assets during the quarter and last four quarters.
- Management has reviewed the existing activities and based on technical assessment, the carrying amount of certain Intangible Assets (Software) amounting to ₹ 1498 Lakhs has been written off during the year as it is no longer usable due to changes in technology.
- The figures for the quarter ended 31st March 2013 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures for the nine months period ended 31st December 2012.
- Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Limited

Arvind Kajaria
Managing Director

Place : Mumbai
Dated : 28th May, 2013