



IntraSoft Technologies Limited Announces 66% Growth In revenues For Q1 FY2013
Published on IntraSoft Technologies Limited (<http://www.itlindia.com>)

PRESS RELEASE



Mumbai, August 10, 2012

INTRASOFT TECHNOLOGIES LIMITED ANNOUNCES 66% GROWTH IN REVENUES FOR Q1 FY2013

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 first quarter ended June 30, 2012.

Q1 FY2013 HIGHLIGHTS: (All comparisons are with Q1 FY2012 figures)

<p>Total Income at Rs. 1802 lacs up by 66% from Rs. 1088 lacs Operating EBITDA at Rs. 184 lacs up by 46% from Rs. 126 lacs</p>
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OPERATIONAL PERFORMANCE HIGHLIGHTS

- 123Greetings Store, the online gifting e-commerce business, witnessed tremendous growth. During the quarter, a total of 36,263 orders were shipped compared to 14,358 orders in the corresponding quarter of last year, averaging approx 403 orders / day.
- 123Greetings Store expanded its product catalog significantly and as on June 30, 2012, was selling a total of 71,188 products on its websites & marketplaces. The Company had an active base of 250 vendors as compared to 47 vendors in the corresponding quarter of last year.
- 123Greetings Ecards continued to maintain traction and witnessed an addition of 1,541 new cards in the quarter. A new feature 'Send Another Card' was introduced in the site to facilitate the users to send more greetings at the click of a button without navigating to another page.



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- 123Greetings Connect, a value added service saw the total number of registered users at 1,817,789 as on June 30, 2012, recording a growth of 37% compared to corresponding quarter of last year.
- 123Greetings Studio saw the total number of registered users at 17,370 as on June 30, 2012, recording a growth of 65% compared to corresponding quarter of last year.
- The Company purchased office space measuring around 11500 sq. ft. which became operational in April 2012. The new premises allowed the Company to expand its operations as the Company scaled its Total Income.
- The Company has invested over Rs. 25 Crores in technology infrastructure to strengthen its proprietary backend software & systems during the last 15 months. This investment will generate further revenues in the coming quarters.

Q1 FY2013 CONDENSED FINANCIAL STATEMENT OF OPERATIONS

Total Income:

(Rs. in Lacs)

	Q1 FY 2013	Q1 FY 2012	Growth (%)
Total Income	1,802.04	1,088.08	65.62%

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 quarter. As on June 30, 2012, the Company was selling a total of 71,188 products on its websites & marketplaces. The Company had an active base of 250 vendors as compared to 47 vendors in the corresponding quarter of 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.



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Expenditure:

(Rs. in Lacs)

	Q1 FY 2013	Q1 FY 2012	Growth (%)
Product & Content Development	1144.03	479.72	138.48 %
Sales and Marketing Expenses	238.43	152.80	56.04 %
General and Administrative Expenses	85.38	183.57	-53.49 %
Employees Cost	173.57	146.10	18.80 %
Depreciation	180.71	33.71	436.07 %
Total Expenditure	1,822.12	995.90	82.96 %

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

The Company purchased office space measuring around 11500 sq. ft. which became operational in April 2012. The new premises allowed the Company to expand its operations as the Company scaled its Total Income. The decrease in General and Administrative Expenses is primarily due to savings in rental expenses as compared to the previous year.

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

Depreciation expenses have increased significantly during the quarter 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. The Company will have to bear a higher depreciation expense over the next few quarters till the same is balanced out. Being a non-cash expense, this will not have any adverse impact on the Company's operations.



Operating EBITDA:

(Rs. in Lacs)

	Q1 FY 2013	Q1 FY 2012	Growth (%)
Operating EBITDA	183.69	125.89	45.91%

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

The Profit from Operations for the quarter increased to Rs. 183.69 Lacs as compared to Rs. 125.89 Lacs in Q1 FY 2012, an increase of 45.91%, reflecting strong growth in operations.

MANAGEMENT'S STATEMENT:

Commenting on the results, Mr. Arvind Kajaria said, "We are pleased to present our results for the quarter ended 30th June, 2012. The performance of the 1st quarter highlights the continued success of our E-commerce business. In some sense this has been a watershed period and we truly recognized the vast potential which has encouraged us enough to commit ourselves to grow this business to greater heights. Our past investments in backend software and systems has yielded the anticipated results.

We believe that we have managed to carve out our niche in the ever growing E-commerce market. As more and more consumers shop online, requirements of a more robust and stringent digital infrastructure will be of a paramount importance. Our ability to scale our services, providing a larger selection of products, efficient customer service, quicker delivery schedules and better prices will help us attract larger volumes. As we continue to invest deeper into our services on a daily basis, our top-line and bottom-line will continue to grow.

The greetings business continues to do well with all round growth in our products like Studio, Connect and Invites. The Company has conceived its mobile strategy and we anticipate its launch in Q3.

The Company saw significant growth in its Total Income as well as Profit from Operations during the Quarter. The Company will have to bear a higher depreciation expense over the next few quarters till



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the same is balanced out and accordingly, the PAT will be under pressure due to the increased depreciation on the investments made during the previous year. This trend is expected to continue for the course of this year. Being a non-cash expense, this will not have any adverse impact on the Company's operations.", concluded Mr. Kajaria.

ABOUT 123GREETINGS:

123Greetings is the world's leading online destination for human expressions reaching over 91 million unique users annually. Drawing from its tag line "Giving Life to your Expressions" the service inculcates a sense of personalization that relates to the users on an emotional level. Its offering of over 20,000 greeting cards covers a mix of 3,000 seasonal & everyday categories. Its applications & widgets for social networks & blogs allow users ubiquitous access across multiple devices and platforms.

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.

66%
Total Income

46%
Operating EBITDA

₹ In Lacs

PARTICULARS	Quarter ended			Year ended	
	30/06/2012	31/03/2012	30/06/2011	31/03/2012	31/03/2011
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income					
(a) Income from Operations	1802.04	1850.41	1088.08	6625.65	4275.04
(b) Other Operating Income	23.06	0.00	0.00	0.00	0.00
Total income from operations	1825.10	1850.41	1088.08	6625.65	4275.04
2. Expenditure					
a. Product & Content Development	1144.03	932.40	479.72	3364.36	1637.33
b. Sales and Marketing Expenses	238.43	241.70	152.80	916.68	803.77
c. General and Administrative Expenses	85.38	222.46	183.57	565.15	521.47
d. Employees Benefit Expenses	173.57	87.70	146.10	428.75	357.08
e. Depreciation	180.71	105.97	33.71	277.34	215.54
Total Expenditure	1822.12	1590.23	995.90	5552.28	3535.19
3. Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	2.98	260.18	92.18	1073.37	739.85
4. Other Income	90.92	158.06	138.34	563.97	490.47
5. Profit before Finance Cost & Exceptional Items (3+4)	93.90	418.24	230.52	1637.34	1230.32
6. Finance Costs	12.42	13.07	18.21	46.73	9.19
7. Profit before Exceptional Items (5-6)	81.48	405.17	212.31	1590.61	1221.13
8. Exceptional Items	0.00	0.00	0.00	0.00	0.00
9. Profit from Ordinary Activities (7-8)	81.48	405.17	212.31	1590.61	1221.13
10. Tax expense	55.37	114.55	59.56	489.81	213.44
11. Net Profit from Ordinary Activities after tax (9-10)	26.11	290.62	152.75	1100.80	1007.69
12. Extraordinary Item (net of tax expenses)	0.00	0.00	0.00	0.00	0.00
13. Net Profit for the period (11+/-12)	26.11	290.62	152.75	1100.00	1007.69
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					8445.17
16. Earnings Per Share (EPS) (₹) Basic and diluted EPS before & after Extraordinary items	0.18	1.97	1.04	7.47	6.87
17. Particulars of Shareholding					
i) Public Shareholding					
- Number of shares	5,981,664	5,981,664	5,981,664	5,981,664	5,981,664
- 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	8,750,014	8,750,014	8,750,014	8,750,014	8,750,014
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

STAND ALONE INFORMATION

₹ In Lacs

PARTICULARS	Quarter ended			Year ended	
	30/06/2012	31/03/2012	30/06/2011	31/03/2012	31/03/2011
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	406.22	625.30	393.05	2138.58	1933.60
Profit before tax and exceptional items	88.63	397.29	207.42	1582.26	1213.41
Profit after tax and exceptional items	33.65	282.92	148.15	1093.31	1001.21
18. Investors Complaints					
Pending at the beginning of the quarter	0	0	0	0	0
Received during the quarter	0	0	0	0	0
Disposed of during the quarter	0	0	0	0	0
Remaining unresolved at the end of the quarter	0	0	0	0	0



Scan this QR code to download unaudited financial results for the quarter ended 30th June, 2012

NOTES:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on August 10, 2012. The Statutory Auditors have carried out Limited Review of the Un-Audited Financial Results of the Company.
- 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 :-
- 123Greetings.com, Inc. (USA)
- 123Greetings (Singapore) Pte. Ltd. (Singapore)
- One Two Three Greetings (India) Pvt. Ltd. (India)
- The position of IPO proceeds and utilisation thereof vis-à-vis the 'Object of the Issue', as amended and approved by Shareholders' at AGM held on 29th September, 2011, up to 30th June, 2012 is as follows :
a) Funds raised through IPO : ₹ 5365.00 Lakhs b) IPO Expenses : ₹ 524.04 Lakhs c) Net proceeds through IPO : ₹ 4840.96 Lakhs
d) Utilisation as per Objects of issue and amendments thereof: ₹ 4796.01 Lakhs e) Balance funds unutilised : ₹ 44.95 Lakhs
The unutilised funds were invested in NCDs and balance in Company's current bank account
- The Unaudited Standalone and Consolidated financial results of the Company for the quarter ended 30th June, 2012 are available on the Company's website www.itlindia.com
- Depreciation for the quarter is not comparable with the corresponding quarter of previous year, as previous year numbers are net of reversal of cumulative depreciation necessitated due to change in the 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 three quarters of previous year.
- Operating EBITDA represents Profit from operations before other income, finance cost and exceptional items plus Depreciation, i.e. ₹ 183.69 (2.98 + 180.71) for current quarter and ₹ 125.89 (92.18 + 33.71) for the corresponding quarter of previous year.
- Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Ltd.

Sd/-

Arvind Kajaria
Managing Director