



PRESS RELEASE



Mumbai, August 12, 2013

INTRASOFT TECHNOLOGIES LIMITED REPORTS **31% GROWTH IN REVENUES FOR Q1 FY 2014**

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, 2013.

Q1 FY2014 HIGHLIGHTS: (All comparisons are with Q1 FY2013 figures)

- Total income at Rs. 2,353 lacs up by 31% from Rs. 1,802 lacs

MANAGEMENT'S STATEMENT

Commenting on the results, Mr. Arvind Kajaria, Managing Director says "We are pleased to present the results for the quarter ended June 30, 2013. With the continued growth in our e-Commerce business, the revenue in the current quarter has increased by 31% as compared to the corresponding quarter last year. We continued to increase investments in the e-Commerce business through automation and increasing the team size. While, this has kept the margins under pressure, we are confident of reporting higher revenues and profits in the subsequent quarters.

A few non financial and operational but important factors which contributed to the above growth are

- 38,972 orders were shipped from 123Greetings Store, the online gifting e-Commerce business, during the quarter, averaging approx 433 orders / day, as compared to 403 orders / day in the corresponding quarter of last year.
- 123Greetings Store expanded its product catalog significantly as during the quarter 72,373 products were listed on its websites & various marketplaces. The Company had an active base of 490 vendors as compared to 250 vendors in the corresponding quarter of last year.
- 123Greetings e-cards continued to maintain traction and witnessed an addition of 1255 new cards in the quarter adding more emotional expressions to everyone's life.



- In 123Greetings Connect, a value added service, the total number of registered users stood at 2,158,665 as on June 30, 2013, recording a growth of 19% compared to corresponding quarter of last year.
- 123Greetings Studio had total number of registered users at 25,140 as on June 30, 2013, recording a growth of 45% compared to corresponding quarter of last year.
- The recently launched Mobile site located @ <http://m.123greetings.com> has been well accepted by our users, which saw 25.56 lacs visitors during the quarter.

Our quest for better ways for creation of expressional deliverables enabling human expressions continues, with all round growth in our products like Studio, Connect, Invites and Reward plan in 123Greetings Studio.”

Q1 FY2014 CONDENSED FINANCIAL STATEMENT OF OPERATIONS

Total Income:

	<i>(Rs. in Lacs)</i>		
	Q1 FY 2014	Q1 FY 2013	Growth (%)
Total Income	2,352.75	1,802.04	30.56%

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

The non financial factors as stated above in the Management Statement have also contributed to the increase in revenue.

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

Expenditure:

	<i>(Rs. in Lacs)</i>		
	Q1 FY 2014	Q1 FY 2013	Growth (%)
Product & Content Development	1,543.46	1,144.03	34.91 %
Sales and Marketing Expenses	300.43	238.43	26.00 %
General and Administrative Expenses	135.45	85.38	58.64 %



Employees Benefit Expenses	257.47	173.57	48.34 %
Depreciation	123.36	180.71	-31.74 %
Total Expenditure	2,360.17	1,822.12	29.53 %

The Company has experienced growth across its entire product lines and accordingly the expenses on Product & Content Development, Sales & Marketing, General and Administrative & Employee Benefit Expenses have increased. While some of the expenses are on the higher side, these expenses were necessary keeping in view the future growth prospect in terms of revenues and profits in the subsequent quarters.

Product & Content Development expenses increased due to increase in costs to handle additional capacity of orders, shipping and clearing inventory.

Increase in General and Administrative expenses are primarily on account of travelling expenses incurred for increasing the Company's global presence and penetration into New Markets. One of the Directors has taken Professional Membership with an Organisation, which would help increase our business contacts and contribute to the Company's growth.

Employees Benefit Expenses increased due to pay revision of the existing employees and also on account of hiring of new talents for keeping up pace with the growth in the Company's business operations.

Reduction in Depreciation expenses is on account of write-off of Capital Asset made, during last year.

Operating EBITDA:

	Q1 FY 2014	Q1 FY 2013	Growth (%)
Operating EBITDA	137.87	183.69	-24.94 %

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 quarter decreased to Rs. 137.87 Lacs as compared to Rs. 183.69 Lacs in Q1 FY 2013.

Operating EBITDA is down as the Company continued to invest in building up its operations to be able to service higher volumes. This has resulted due to higher costs incurred on additional 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.

ABOUT 123GREETINGS:

123Greetings.com is the world's leading online destination for human expressions reaching 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).

FOR MORE INFORMATION PLEASE CONTACT:

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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 up by 31%

₹ In Lakhs

PARTICULARS	Quarter Ended			Year Ended
	30/06/2013	31/03/2013	30/06/2012	31/03/2013
	(Unaudited)	(Audited) *	(Unaudited)	(Audited)
1. Income				
(a) Income from operations	2352.75	2032.59	1802.04	8824.21
(b) Other operating income	21.93	0.00	23.06	0.00
Total income from operations	2374.68	2032.59	1825.10	8824.21
2. Expenditure				
(a) Product & Content Development	1543.46	1635.16	1144.03	5939.87
(b) Sales and Marketing Expenses	300.43	267.39	238.43	1178.90
(c) General and Administrative Expenses	135.45	235.49	85.38	577.66
(d) Employees Benefit Expenses	257.47	113.13	173.57	525.09
(e) Depreciation	123.36	122.83	180.71	704.73
Total Expenditure	2360.17	2374.00	1822.12	8926.25
3. Profit from operations before other income, finance costs and exceptional items (1-2)	14.51	-341.41	2.98	-102.04
4. Other income	68.97	57.24	90.92	298.89
5. Profit before finance cost and exceptional items (3+4)	83.48	-284.17	93.90	196.85
6. Finance costs	15.25	14.26	12.42	69.62
7. Profit before exceptional items (5-6)	68.23	-298.43	81.48	127.23
8. Exceptional items : Intangible Assets W/Off	0.00	1498.87	0.00	1498.87
Less; Transfer from General Reserve	0.00	(1498.87)	0.00	(1498.87)
9. Profit from ordinary activities (7-8)	68.23	-298.43	81.48	127.23
10. Tax expense	33.62	-371.38	55.37	-178.10
11. Net Profit from ordinary activities after tax (9-10)	34.61	72.95	26.11	305.33
12. Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00
13. Net Profit for the period (11 +/- 12)	34.61	72.95	26.11	305.33
14. Paid-up equity share capital of ₹ 10 each	1473.17	1473.17	1473.17	1473.17
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				8033.84
16. Earnings per share (EPS) (₹)				
Basic and diluted EPS before and after extraordinary items	0.23	0.50	0.18	2.07
17. Particulars of Shareholding				
(i) Public shareholding				
- Number of shares	5981664	5981664	5981664	5981664
- Percentage of shareholding	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
Percentage of shares (as a % of the total shareholding of promoter and promoter Group)	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
b) Non - encumbered				
- Number of shares	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
Percentage of shares (as a % of the total share capital of the company)	59.40	59.40	59.40	59.40

STANDALONE INFORMATION

₹ In Lakhs

PARTICULARS	Quarter Ended			Year Ended
	30/06/2013	31/03/2013	30/06/2012	31/03/2013
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
Revenue	470.38	107.77	406.22	1602.53
Profit before tax and exceptional items	55.39	-295.70	88.63	125.84
Profit after tax and exceptional items	22.00	77.67	33.65	307.66

PARTICULARS	Quarter ended 30/06/2013
18. Investors Complaints	
Pending at the beginning of the quarter	0
Received during the quarter	0
Disposed of during the quarter	0
Remaining unresolved at the end of the quarter	0



Scan this QR code to download Un-audited Financial Results for the Quarter Ended 30th June, 2013.

NOTES :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 12th August, 2013. 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, viz. :-
 - 123Greetings.com, Inc. (USA)
 - 123Greetings (Singapore) Pte. Ltd. (Singapore)
 - One Two Three Greetings (India) Pvt. Ltd. (India)
- The Unaudited Standalone and Consolidated financial results of the Company for the quarter ended 30th June, 2013 are available on the Company's website www.itindia.com
- *5. The figures for the quarter ended 31st March 2013 are the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2013 and published unaudited figures for the nine months period ended 31st December 2012.
6. Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.