



## **PRESS RELEASE**



**Mumbai, July 31, 2014**

### **INTRASOFT TECHNOLOGIES LIMITED REPORTS** **153% GROWTH IN REVENUES FOR Q1 FY 2015**

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 Quarter ended June 30, 2014.

#### **Q1 FY2015 HIGHLIGHTS:** (All comparisons are with Q1 FY2014 figures)

- Total Income at Rs. 5,957 lacs up by 153% from Rs. 2,353 lacs.
- Profit after Tax (PAT) at Rs 83.31 lacs up by 141% from Rs 34.61 lacs.

#### **MANAGEMENT'S STATEMENT**

Commenting on the results, Mr. Arvind Kajaria, Managing Director said "It gives me immense pleasure to present our results for the quarter ended June 30, 2014, driven by a steep climb in revenues. Profit after Tax increased by 141% as compared to the corresponding quarter of last year. This growth of the topline in this quarter is due to the growth in our E-commerce business. Automation of processes remains our focus. This will help us scale even further and reduce the variable costs in future impacting profitability in a positive manner. We look forward to continued growth in both topline and bottomline as we scale.

Key non financial and operational but important factors which contributed to the above growth are:-

- 116,081 orders were shipped from 123Greetings Store, the online gifting e-Commerce business, during the quarter, averaging approx 1,290 orders / day, as compared to 433 orders / day in the corresponding quarter of last year.
- As on June 30, 2014, 123Greetings Store's product catalog had 140,528 products, which were listed at 588,554 places across its website & other marketplaces.
- 123Greetings Store had an active base of 873 vendors as compared to 490 vendors in the corresponding quarter of last year.



- 55.24 lacs visitors accessed 123Greetings’ website via handheld devices as compared to 42.37 lacs in the corresponding quarter of last year, registering 30.4% growth.
- 123Greetings mobile apps were used to send 169,520 ecards by our users versus 105,749 during the previous quarter, delivering 60% growth.
- 123Greetings Studio, the content crowd-sourcing platform delivered 1,391 additional ecards during the quarter.
- 123Greetings ecards business strengthened its regional language content library with 84 new ecards across Russian, Mandarin, Spanish, German, French and Hindi languages for key holidays and occasions, registering a growth of 16% in this quarter.

Seeing the growth of our mobile app we launched a new app “Birthday Calendar & Ecards” during this quarter. Further, during the quarter, total downloads of our mobile apps crosses the figure of 1.9 lacs. The response has been very encouraging and we are in the process of developing the same further. Additionally there was all round growth in our other products like Studio, Connect and Invites.”

**Q1 FY2015 CONDENSED FINANCIAL STATEMENT OF OPERATIONS**

**Total Income:**

*(Rs. in Lacs)*

Particulars	Q1 FY 2015	Q1 FY 2014	Growth (%)
Total Income	5,957.17	2,352.75	153.20%

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 revenues.

Additionally, the investments made by the Company in its proprietary enterprise software have started yielding impressive results. The Company has been able to scale its operations to handle the additional order volumes seamlessly as is evident by the topline growth.



### Expenditure:

*(Rs. in Lacs)*

Particulars	Q1 FY 2015	Q1 FY 2014	Growth (%)
Product & Content Development	4,438.45	1,543.46	187.56%
Sales and Marketing Expenses	861.23	300.43	186.67%
General and Administrative Expenses	201.54	135.45	48.79%
Employee Benefit Expenses	407.05	257.47	58.09%
Depreciation	34.72	123.36	-71.85%
<b>Total Expenditure</b>	<b>5,942.99</b>	<b>2,360.17</b>	<b>151.80%</b>

The Company has experienced growth across its entire product lines and accordingly the expenses on account of Product & Content Development, Sales & Marketing, General and Administrative & Employee Benefit Expenses have increased. While expenses have gone up, these are consistent with the growth in revenues.

### Operating EBITDA:

*(Rs. in Lacs)*

Particulars	Q1 FY 2015	Q1 FY 2014	Growth (%)
Operating EBITDA	70.20	137.87	-49.08%

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. During this quarter the Operating EBITDA decreased to Rs. 70.20 Lacs as compared to Rs. 137.87 Lacs in the corresponding quarter.

Operating EBITDA is down as the Company invested in building up its operations to be able to service higher volumes. This resulted in higher operational costs incurred on additional manpower & systems. Given the nature of online sales, the Company increased its staff and other ancillary functions. The Company has appointed an investment banker to source capital for the e-commerce portion of the business. This will help achieve even higher scalability for the Company.



**ABOUT 123GREETINGS:**

123Greetings.com is the world's leading online destination for human expressions reaching 95 million visitors annually. Its offering of over 42,000 ecards across multiple languages covers a mix of 3,000 seasonal & everyday categories. Its presence is ubiquitous with its Mobile App, Mobile Website and Facebook App catering to users on mobile and social media respectively. Its Connect feature is a relationship management tool enabling users to actively manage their expressions to both personal and professional contacts. It also operates 123Greetings Studio, a unique platform for artists, to upload and monetize their own ecards.

**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 **153%**

₹ In Lakhs

PARTICULARS	Quarter Ended			Year Ended
	30/06/2014	31/03/2014	30/06/2013	31/03/2014
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
<b>1. Income</b>				
(a) Income from Operations	5957.17	4706.70	2352.75	14840.02
(b) Other Operating Income	21.30	12.54	21.93	114.22
<b>Total Income from Operations</b>	<b>5978.47</b>	<b>4719.24</b>	<b>2374.68</b>	<b>14954.24</b>
<b>2. Expenditure</b>				
(a) Product & Content Development	4438.45	3591.76	1543.46	10773.18
(b) Sales and Marketing Expenses	861.23	747.20	300.43	2119.08
(c) General and Administrative Expenses	201.54	446.72	135.45	1035.79
(d) Employees Benefit Expenses	407.05	366.70	257.47	1213.09
(e) Depreciation	34.72	29.26	123.36	402.11
<b>Total Expenditure</b>	<b>5942.99</b>	<b>5181.64</b>	<b>2360.17</b>	<b>15543.25</b>
3. Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	35.48	-462.40	14.51	-589.01
4. Other Income	77.05	50.99	68.97	461.25
5. Profit before Finance Cost and Exceptional Items (3+4)	112.53	-411.41	83.48	-127.76
6. Finance Costs	17.11	24.07	15.25	90.20
7. Profit before Exceptional Items (5-6)	95.42	-435.48	68.23	-217.96
8. Exceptional items :				
Assets Write Off	0.00	1810.87	0.00	1810.87
Less : Transferred from General Reserve	0.00	(1810.87)	0.00	(1810.87)
9. Profit from Ordinary Activities (7-8)	95.42	-435.48	68.23	-217.96
10. Tax expense	12.11	-534.37	33.62	-423.80
11. Net Profit from Ordinary Activities after Tax (9-10)	83.31	98.89	34.61	205.84
12. Extraordinary Items (net of Tax Expenses)	0.00	0.00	0.00	0.00
<b>13. Net Profit for the period (11 +/- 12)</b>	<b>83.31</b>	<b>98.89</b>	<b>34.61</b>	<b>205.84</b>
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				6267.07
16. Earnings per Share (EPS) (₹)				
Basic and diluted EPS before and after Extraordinary Items	0.57	0.67	0.23	1.40
<b>17. Particulars of Shareholding</b>				
(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
	30/06/2014	31/03/2014	30/06/2013	31/03/2014
	(Unaudited)	(Audited)*	(Unaudited)	(Audited)
Revenue	637.40	371.96	470.38	1857.18
Profit before tax and exceptional items	79.02	-392.88	55.39	-223.37
Profit after tax and exceptional items	66.88	144.49	22.00	204.55

PARTICULARS	Quarter ended 30/06/2014
<b>18. Investors Complaints</b>	
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, 2014.

**NOTES :**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 31st July, 2014. The Statutory Auditors have carried out Limited Review of the Un-Audited Financial Results of the Company under Clause 41 of the listing agreement with the stock exchanges.
- 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, 2014 are available on the Company's website www.itindia.com
- Foreign Exchange Gain on export sale is shown under Other Operating Income.
- \* 6. The figures for the last quarter for the previous year are the balancing amount between the audited figures in respect of the full financial year and unaudited third quarter published year to date figures, which were subjected to a limited review.
7. Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Ltd.

Sd/-

**Arvind Kalaria**  
Managing Director

Place: Kolkata  
Dated: 31st July, 2014