



PRESS RELEASE



Mumbai, May 29, 2014

INTRASOFT TECHNOLOGIES LIMITED REPORTS **131% GROWTH IN REVENUES FOR Q4 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 Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2014.

Q4 FY2014 HIGHLIGHTS: (All comparisons are with Q4 FY2013 figures)

- Total Income at Rs. 4,707 lacs up by 131% from Rs. 2,032 lacs.

FY2014 HIGHLIGHTS: (All comparisons are with FY2013 figures)

- Total Income at Rs. 14,840 lacs up by 68% from Rs. 8,824 lacs.

MANAGEMENT'S STATEMENT

Commenting on the results, Mr. Arvind Kajaria, Managing Director says "We are pleased to present the growth in revenue by 131% compared to corresponding quarter last year. The performance of the 4th quarter showed the continued growth in our E-commerce business. In this quarter there was an impressive growth in Vendor tie-ups and addition of new Customers. Our past investment in backend software and systems has yielded the anticipated results. As we continue to invest deeper into our services on a daily basis, our revenues and profits will continue to grow.

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

- 88,617 orders were shipped from 123Greetings Store, the online gifting e-Commerce business, during the quarter, averaging approx 985 orders / day, as compared to 485 orders / day in the corresponding quarter of last year.



- As on March 31, 2014, 123Greetings Store’s product catalog had 129,129 products, which were listed at 554,397 places across its website & other marketplaces.
- 123Greetings Store had an active base of 975 vendors as compared to 456 vendors in the corresponding quarter of last year.
- 74.05 lacs visitors accessed 123Greetings’ website via handheld devices as compared to 40.10 lacs in the corresponding quarter of last year, registering 84.6% growth.
- 123Greetings mobile apps were used to send 105,749 ecards by our users versus 70,962 during the previous quarter, delivering 49% growth.
- 123Greetings strengthened its technology capabilities with server performance enhancements and greater automation of processes such as advertising quality control.
- 123Greetings Studio, the content crowd-sourcing platform delivered 1,210 additional ecards during the quarter, versus 715 in the corresponding quarter of last year, showing a 69% growth.
- 123Greetings ecards business strengthened its regional language content library with 241 new ecards across Russian, Mandarin, Spanish, German, French and Hindi languages for key holidays and occasions, versus 118 ecards last quarter.

Growth in the mobile apps business has been promising, and investments are being made to scale-up 123Greetings’ presence and market share on mobile devices. This is helping us reach out to new customers and expand our user base. Additionally, the Studio and Connect products are being strengthened further to support the growth with phenomenal content and value-added features for regular and bulk users.”

FY2014 CONDENSED FINANCIAL STATEMENT OF OPERATIONS

Total Income:

(Rs. in Lacs)

Particulars	FY 2014	FY 2013	Growth (%)
Total Income	14,840.02	8,824.21	68.17%

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 volumes seamlessly.

Expenditure:

(Rs. in Lacs)

Particulars	FY 2014	FY 2013	Growth (%)
Product & Content Development	10,773.18	5,939.87	81.37%
Sales and Marketing Expenses	2,119.08	1,178.90	79.75%
General and Administrative Expenses	1,035.79	577.66	79.31%
Employee Benefit Expenses	1,213.09	525.09	131.03%
Depreciation	402.11	704.73	-42.94%
Total Expenditure	15,543.25	8,926.25	74.13%

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 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 and related shipping charges.

Increase in General and Administrative expenses are primarily on account of recognition of Exchange Loss, coupled with increase in travelling expenses incurred for increasing the Company's global presence and penetration into New Markets.

Employee Benefit Expenses increased due to pay revision of the existing employees and hiring of new talents, for keeping up pace with the growth in the Company's business operations, which results into increase in monthly payouts.



Operating EBITDA:

(Rs. in Lacs)

Particulars	FY 2014	FY 2013	Growth (%)
Operating EBITDA	-186.90	602.69	-131.01%

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 year the Operating EBITDA for the year decreased to Rs. (-) 186.90 Lacs as compared to Rs. 602.69 Lacs in the last year.

Operating EBITDA is down as the Company continued to invest in building up its operations to be able to service higher volumes which is evident from the operational highlights presented above. 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.

Exceptional Item:

As part of the on-going review of operations & existing activities, the management reviewed the entire IT resources of the Company. Based on technical assessment, Management found that certain IT resources had outlived their utility and had been rendered obsolete due to changes in technology.

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.



INTRASOFT TECHNOLOGIES LIMITED

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AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

Total Income up by

131%

		(₹ in Lakhs)				
	Particulars	Quarter ended			Year Ended	
		31-03-2014	31-12-2013	31-03-2013	31-03-2014	31-03-2013
		(Audited) *	(Unaudited)	(Audited) *	(Audited)	(Audited)
1	Income					
	(a) Income from Operations	4706.70	5168.47	2032.59	14840.02	8824.21
	(b) Other Operating Income	12.54	11.48	0.00	114.22	0.00
	Total Income from Operations	4719.24	5179.95	2032.59	14954.24	8824.21
2	Expenditure					
	(a) Product & Content Development	3591.76	3759.98	1635.16	10773.18	5939.87
	(b) Sales and Marketing Expenses	747.20	718.16	267.39	2119.08	1178.90
	(c) General and Administrative Expenses	446.72	259.88	235.49	1035.79	577.66
	(d) Employees Benefit Expenses	366.70	325.79	113.13	1213.09	525.09
	(e) Depreciation	29.26	125.69	122.83	402.11	704.73
	Total Expenditure	5181.64	5189.50	2374.00	15543.25	8926.25
3	Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	-462.40	-9.55	-341.41	-589.01	-102.04
4	Other Income	50.99	111.51	57.24	461.25	298.89
5	Profit before Finance Cost and Exceptional Items (3+4)	-411.41	101.96	-284.17	-127.76	196.85
6	Finance Costs	24.07	29.93	14.26	90.20	69.62
7	Profit before Exceptional Items (5-6)	-435.48	72.03	-298.43	-217.96	127.23
8	Exceptional items :					
	Assets Write Off	1810.87	0.00	1498.87	1810.87	1498.87
	Less : Transferred from General Reserve	(1810.87)	0.00	-1498.87	(1810.87)	-1498.87
9	Profit from Ordinary Activities (7-8)	-435.48	72.03	-298.43	-217.96	127.23
10	Tax expense	-534.37	56.74	-371.38	-423.80	-178.10
11	Net Profit from Ordinary Activities after Tax (9-10)	98.89	15.29	72.95	205.84	305.33
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)	98.89	15.29	72.95	205.84	305.33
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				6267.07	8033.84
16	Earnings per Share (EPS) (₹)					
	Basic and diluted EPS before and after Extraordinary Items	0.67	0.11	0.50	1.40	2.07
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	
		31-03-2014	31-12-2013	31-03-2013	31-03-2014	31-03-2013
		(Audited) *	(Unaudited)	(Audited) *	(Audited)	(Audited)
	Revenue	371.96	669.57	107.77	1857.18	1602.53
	Profit before Tax and Exceptional Items	-392.88	66.48	-295.70	-223.37	125.84
	Profit after Tax and Exceptional Items	144.49	10.51	77.67	204.55	307.66
	Particulars	Quarter ended 31-03-2014				
18	INVESTOR 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, 2014.

Statement of Assets and Liabilities

Particulars	As at	
	31-03-2014 (Audited)	31-03-2013 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share Capital	1473.17	1473.17
(b) Reserves and Surplus	6267.07	8033.84
(2) Non-current Liabilities		
(a) Long-term Borrowings	240.25	0.00
(b) Deferred Tax Liabilities (Net)	0.00	364.87
(c) Other Long term Liabilities	67.56	43.39
(d) Long-term Provisions	47.89	36.74
(3) Current Liabilities		
(a) Short-term Borrowings	1900.14	2813.50
(b) Trade Payables	495.42	173.34
(c) Other Current Liabilities	488.66	266.97
(d) Short-term Provisions	173.33	173.08
TOTAL	11153.49	13378.90
II. ASSETS		
(1) Non-current Assets		
(a) Fixed Assets	4527.60	6574.11
(b) Non-current Investments	2912.60	2869.90
(c) Deferred Tax Assets (Net)	63.25	0.00
(d) Long-term Loans and Advances	10.87	32.63
(2) Current Assets		
(a) Current Investments	0.00	1100.00
(b) Inventories	129.81	59.28
(c) Trade Receivables	512.11	327.62
(d) Cash and Bank Balances	833.43	402.39
(e) Short-term Loans and Advances	1996.41	1855.98
(f) Other Current Assets	167.41	156.99
TOTAL	11153.49	13378.90

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 29th May, 2014.
- The Board of Directors recommended a Dividend @ 10 % i.e. ₹ 1.00 per Equity Share for the financial year 2013-2014.
- As per the requirements of AS-17, 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 Standalone and Consolidated financial results of the Company for the quarter and year ended 31st March, 2014 are available on the Company's website www.itlindia.com
- Management has reviewed the existing activities and based on technical assessment, the carrying amount of certain IT resources of the Company amounting to ₹ 1810.87 Lakhs has been written off during the FY as it is no longer usable due to changes in technology.
- * The figures for the last quarter for the current year and previous year are the balancing amount between the audited figures in respect of the full financial year and the unaudited third quarter published year to date figures, which were subjected to a Limited Review.
- Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Limited

Arvind Kajaria
Managing Director

Place : Mumbai
Dated : 29th May, 2014