



## **PRESS RELEASE**



**Mumbai, February 12, 2013**

### **INTRASOFT TECHNOLOGIES LIMITED ANNOUNCES** **22% GROWTH IN REVENUES FOR Q3 FY2013,** **42% GROWTH IN REVENUES FOR 9M 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 third quarter ended December 31, 2012.

**Q3 FY2013 HIGHLIGHTS:** (All comparisons are with Q3 FY2012 figures)

<b>Total Income at Rs. 2908 lacs up by 22% from Rs. 2392 lacs</b>
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#### **OPERATIONAL PERFORMANCE HIGHLIGHTS**

- 123Greetings Store, the online gifting e-commerce business, recorded a total of 51,546 orders shipped during the quarter, averaging approx 560 orders / day.
- 123Greetings Store expanded its product catalog significantly and during the quarter 67,713 products were listed on its websites & various marketplaces. The Company had an active base of 389 vendors as compared to 161 vendors in the corresponding quarter of last year.
- 123Greetings Ecards continued to maintain traction and witnessed an addition of 1,139 new cards in the quarter.
- 123Greetings Connect, a value added service saw the total number of registered users at 2,027,285 as on December 31, 2012, recording a growth of 25% compared to corresponding quarter of last year.



- 123Greetings Studio saw the total number of registered users at 21,354 as on December 31, 2012, recording a growth of 53% compared to corresponding quarter of last year.
- During the quarter 123Greetings Studio introduced a Reward Plan for the Artists under which 430 Artists registered themselves and contributing to 661,913 Cards sent.
- The Company has invested over Rs. 37 Crores in technology infrastructure to strengthen its proprietary backend software & systems during the last 2 years. This investment will generate further revenues in the coming quarters.

### **Q3 FY2013 CONDENSED FINANCIAL STATEMENT OF OPERATIONS**

#### **Total Income:**

	Q3 FY 2013	Q3 FY 2012	<i>(Rs. in Lacs)</i> Growth (%)
Total Income	2,907.86	2,392.11	21.56%

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. During the quarter the Company had listed 67,713 products on its websites & various marketplaces. The Company had an active base of 389 vendors as compared to 161 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.

#### **Expenditure:**

	Q3 FY 2013	Q3 FY 2012	<i>(Rs. in Lacs)</i> Growth (%)
Product & Content Development	1907.84	1343.89	41.96 %
Sales and Marketing Expenses	425.46	332.61	27.92 %



General and Administrative Expenses	135.38	77.61	74.44 %
Employees Cost	116.16	98.48	17.95 %
Depreciation	204.68	84.72	141.60 %
Total Expenditure	2789.52	1937.31	43.99 %

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.

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:**

	Q3 FY 2013	Q3 FY 2012	Growth (%)
Operating EBITDA	323.02	539.52	-40.13%

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. 323.02 Lacs as compared to Rs. 539.52 Lacs in Q3 FY 2012.

Operating EBITDA is down during the quarter 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.



## **MANAGEMENT'S STATEMENT:**

Commenting on the results Mr. Arvind Kajaria said, "The performance of the 3<sup>rd</sup> quarter showed the continued growth in our E-commerce business. Income was up by 22%. The quarter saw impressive growth in Vendor tie-ups and addition of new customers. Buoyed by the success of the model, we plan to launch two more market places in the coming two quarters, thereby leading to increase in sales.

The greetings business continues to do well with all round growth in our products like Studio, Connect and Invites. During the quarter we launched a Reward plan in 123Greetings Studio which is showing impressive results. Our mobile strategy is on path and we should be launching shortly.

The margins continued to be under pressure owing to depreciation and expenses incurred towards vendor development, additions to the team required to manage larger order flows and market development. We believe that these investments will, moving forward, lead to even higher sales and subsequent bottom-line.

## **ABOUT 123GREETINGS:**

123Greetings is the world's leading online destination for human expressions reaching over 95 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.

**Total Income up by 22%**

₹ In Lakhs

PARTICULARS	Quarter Ended			Nine months Ended		Year Ended
	31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
a. Income from operations	2902.12	2087.46	2372.02	6791.62	4775.24	6627.84
b. Other operating income	5.74	0.39	20.09	29.19	30.24	0.00
<b>Total income from operations</b>	<b>2907.86</b>	<b>2087.85</b>	<b>2392.11</b>	<b>6820.81</b>	<b>4805.48</b>	<b>6627.84</b>
<b>2. Expenditure</b>						
a. Product & Content Development	1907.84	1252.84	1343.89	4304.71	2431.96	3389.51
b. Sales and Marketing Expenses	425.46	247.62	332.61	911.51	674.98	951.35
c. General and Administrative Expenses	135.38	150.60	77.61	371.36	342.69	509.56
d. Employees Benefit Expenses	116.16	122.23	98.48	411.96	341.05	428.04
e. Depreciation	204.68	196.51	84.72	581.90	171.37	277.03
<b>Total Expenditure</b>	<b>2789.52</b>	<b>1969.80</b>	<b>1937.31</b>	<b>6581.44</b>	<b>3962.05</b>	<b>5555.49</b>
3. Profit from operations before other income, Finance Costs and Exceptional Items (1-2)	118.34	118.05	454.80	239.37	843.43	1072.35
4. Other income	60.33	90.40	129.65	241.65	405.91	564.10
5. Profit before finance cost and exceptional items (3+4)	178.67	208.45	584.45	481.02	1249.34	1636.45
6. Finance costs	20.93	22.01	8.79	55.36	33.66	46.73
7. Profit before exceptional items (5-6)	157.74	186.44	575.66	425.66	1215.68	1589.72
8. Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
9. Profit from ordinary activities (7-8)	157.74	186.44	575.66	425.66	1215.68	1589.72
10. Tax expense (including excess / short provision w/back)	75.36	62.55	184.73	193.28	375.26	491.00
11. Net Profit from ordinary activities after tax (9-10)	82.38	123.89	390.93	232.38	840.42	1098.72
12. Extraordinary items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	0.00
13. Net Profit for the period (11 +/- 12)	82.38	123.89	390.93	232.38	840.42	1098.72
14. Paid-up equity share capital of ₹ 10 each	1473.17	1473.17	1473.17	1473.17	1473.17	1473.17
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						9386.60
16. Earnings per share (EPS) (₹) Basic and diluted EPS before and after extraordinary items	0.56	0.84	2.65	1.58	5.70	7.46
<b>17. Particulars of Shareholding</b>						
i. Public shareholding						
- Number of shares	5981664	5981664	5981664	5981664	5981664	5981664
- Percentage of shareholding	40.60	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	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	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	0.00
b. Non - encumbered						
- Number of shares	8750014	8750014	8750014	8750014	8750014	8750014
- Percentage of shares (as a % of the total shareholding of the promoter and promoter Group)	100.00	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	59.40

**STANDALONE INFORMATION**

₹ In Lakhs

PARTICULARS	Quarter Ended			Nine months Ended		Year Ended
	31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	31/03/2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	575.52	513.02	667.55	1494.76	1513.28	2139.10
Profit before tax and exceptional items	188.14	144.77	572.54	421.54	1184.97	1582.08
Profit after tax and exceptional items	113.08	83.26	387.79	229.99	810.39	1093.14

PARTICULARS	Quarter ended 31/12/2012
<b>18. Investors Complaints</b>	
Pending at the beginning of the quarter	0
Received during the quarter	1
Disposed of during the quarter	1
Remaining unresolved at the end of the quarter	0



Scan this QR code to download Un-Audited Financial Results for the Quarter Ended 31st December, 2012.

**NOTES :**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on February 12, 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 Company had raised ₹ 5365 Lakhs through an IPO in March, 2010. As on 31st December, 2012, the amount raised from the said IPO was fully utilised as per the objects of the issue and amendments thereof.
- The Unaudited Standalone and Consolidated financial results of the Company for the quarter ended 31st December, 2012 are available on the Company's website www.itindia.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.
- Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Ltd.

Sd/-

**Arvind Kajaria**  
Managing Director