



## **PRESS RELEASE**



**Mumbai, February 14, 2014**

### **INTRASOFT TECHNOLOGIES LIMITED REPORTS** **78% GROWTH IN REVENUES FOR Q3 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 Quarter ended December 31, 2013.

#### **Q3 FY2014 HIGHLIGHTS:** (All comparisons are with Q3 FY2013 figures)

- Total Income at Rs. 5,168 lacs up by 78% from Rs. 2,902 lacs.

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

Commenting on the results, Mr. Arvind Kajaria, Managing Director says "It gives me immense pleasure to present our results for the quarter ended December 31, 2013, driven by a steep climb in the revenues. With the continued growth in our e-Commerce business, the revenue in the current quarter has increased by 78% as compared to the corresponding quarter last year. We have continued to increase our investments in the e-Commerce business through automation of various processes 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.

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

- 88,348 orders were shipped from 123Greetings Store, the online gifting e-Commerce business, during the quarter, averaging approx 1821 orders / day, as compared to 560 orders / day in the corresponding quarter of last year.
- As on December 31, 2013, 123Greetings Store's product catalog had 123,111 products, which were listed at 526,621 places across its website & other marketplaces.
- 123Greetings Store had an active base of 881 vendors as compared to 389 vendors in the corresponding quarter of last year.



- 77.26 lacs visitors accessed 123Greetings’ website via handheld devices as compared to 36.66 lacs in the corresponding quarter of last year, with traffic more than doubling in a year.
- 123Greetings launched its mobile & tablet apps on iOS and Android platforms. During the quarter over 70,000 ecards were sent using apps by our users.
- 123Greetings strengthened its technology and content delivery capabilities to serve its mobile website and apps users enabling over 40,000 ecards, including flash ecards, to be viewable on handheld devices with ease.
- 123Greetings Studio, the content crowd-sourcing platform delivered 1,682 additional ecards during the quarter, versus 671 in the corresponding quarter of last year, showing a rapid 2.5x growth.
- 123Greetings ecards business increased its addressable market by growing its regional language content library with 118 new ecards across Russian, Mandarin, Spanish, German and Hindi languages for key holidays and occasions.

We are excited by the growth potential from Apps coupled with additional geographies that we are targeting. Our crowd-sourcing and content curation strategies have enabled us to scale our operations and serve diverse needs of our worldwide customer base. Investments in building the capability further in these areas and strengthening our infrastructure will help us execute these strategies effectively”.

**Q3 FY2014 CONDENSED FINANCIAL STATEMENT OF OPERATIONS**

**Total Income:**

*(Rs. in Lacs)*

Particulars	Q3 FY 2014	Q3 FY 2013	Growth (%)
Total Income	5,168.47	2,902.12	78.09%

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	Q3 FY 2014	Q3 FY 2013	Growth (%)
Product & Content Development	3,759.98	1,907.84	97.08%
Sales and Marketing Expenses	718.16	425.46	68.80%
General and Administrative Expenses	259.88	135.38	91.97%
Employee Benefit Expenses	325.79	116.16	180.47%
Depreciation	125.69	204.68	-38.59%
<b>Total Expenditure</b>	<b>5,189.50</b>	<b>2,789.52</b>	<b>86.04%</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 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 recognition of Exchange Loss to the tune of Rs.85 lacs during the quarter, 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.

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



**Operating EBITDA:**

(Rs. in Lacs)

Particulars	Q3 FY 2014	Q3 FY 2013	Growth (%)
Operating EBITDA	116.14	323.02	-64.05%

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 for the quarter decreased to Rs. 116.14 Lacs as compared to Rs. 323.02 Lacs in the corresponding quarter 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. 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. 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:**

Rakesh Dhanuka  
Company Secretary  
A-502, Prathamesh,  
Rahguvanshi Mills Compound,  
Senapati Bapat Marg, Lower Parel.  
Mumbai – 400 013  
Phone: 91-22-2491-2123 | Fax: 91-22-2490-3123 | Email: [intrasoft@itlindia.com](mailto:intrasoft@itlindia.com)

**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 78%**

₹ In Lakhs

PARTICULARS	Quarter Ended			Nine months Ended		Year Ended
	31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1. Income</b>						
a. Income from Operations	5168.47	2612.10	2902.12	10133.32	6791.62	8824.21
b. Other Operating Income	11.48	68.27	5.74	101.68	29.19	0.00
<b>Total Income from Operations</b>	<b>5179.95</b>	<b>2680.37</b>	<b>2907.86</b>	<b>10235.00</b>	<b>6820.81</b>	<b>8824.21</b>
<b>2. Expenditure</b>						
a. Product & Content Development	3759.98	1877.98	1907.84	7181.42	4304.71	5939.87
b. Sales and Marketing Expenses	718.16	353.29	425.46	1371.88	911.51	1178.90
c. General and Administrative Expenses	259.88	193.74	135.38	589.07	371.36	577.66
d. Employee Benefit Expenses	325.79	263.13	116.16	846.39	411.96	525.09
e. Depreciation	125.69	123.80	204.68	372.85	581.90	704.73
<b>Total Expenditure</b>	<b>5189.50</b>	<b>2811.94</b>	<b>2789.52</b>	<b>10361.61</b>	<b>6581.44</b>	<b>8926.25</b>
3. Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	-9.55	-131.57	118.34	-126.61	239.37	-102.04
4. Other Income	111.51	229.78	60.33	410.26	241.65	298.89
5. Profit before Finance Costs and Exceptional Items (3+4)	101.96	98.21	178.67	283.65	481.02	196.85
6. Finance Costs	29.93	20.95	20.93	66.13	55.36	69.62
7. Profit before Exceptional Items (5-6)	72.03	77.26	157.74	217.52	425.66	127.23
8. Exceptional Items : Intangible Assets W/Off Less : Transfer from General Reserve	0.00	0.00	0.00	0.00	0.00	1498.87
9. Profit from Ordinary Activities (7-8)	72.03	77.26	157.74	217.52	425.66	127.23
10. Tax Expenses	56.74	20.21	75.36	110.57	193.28	-178.10
11. Net Profit from Ordinary Activities after Tax (9-10)	15.29	57.05	82.38	106.95	232.38	305.33
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)	15.29	57.05	82.38	106.95	232.38	305.33
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						8033.84
16. Earnings per Share (EPS) (₹) Basic and diluted EPS before and after Extraordinary Items	0.11	0.39	0.56	0.73	1.58	2.07
<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 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**

PARTICULARS	Quarter Ended			Nine months Ended		Year Ended
	31/12/2013	30/09/2013	31/12/2012	31/12/2013	31/12/2012	31/03/2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	669.57	345.27	575.52	1485.22	1494.76	1602.53
Profit before Tax and Exceptional Items	66.48	47.64	188.14	169.51	421.54	125.84
Profit after Tax and Exceptional Items	10.51	27.55	113.08	60.06	229.99	307.66

PARTICULARS	Quarter ended 31/12/2013
<b>18. Investor 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  
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Financial Results for  
the Quarter Ended  
31st December, 2013.

**NOTES :**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 14th February, 2014. 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.
- Foreign Exchange Gain on Export Sales is shown separately under Other Operating Income.
- 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 31st December, 2013 are available on the Company's Website [www.itindia.com](http://www.itindia.com).
- Previous quarters' / years' figures have been regrouped / rearranged, wherever considered necessary.

For IntraSoft Technologies Ltd.

Sd/-

**Arvind Kalaria**  
Managing Director