



PRESS RELEASE



Mumbai, November 4, 2015

INTRASOFT TECHNOLOGIES LIMITED REPORTS **REVENUES OF Rs. 155 Cr. FOR Q2 FY2015-16**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Unaudited Consolidated Financial Results for the Quarter and Half Year ended September 30, 2015.

Q2 FY2015-16 HIGHLIGHTS: (All comparisons are with Q2 FY2014-15 figures)

- Total Income at Rs. 154.68 Cr. up by 159% from Rs. 59.63 Cr.
- Profit after Tax (PAT) at Rs 1.66 Cr. up by 80% from Rs 0.92 Cr.

H1 FY2015-16 HIGHLIGHTS: (All comparisons are with H1 FY2014-15 figures)

- Total Income at Rs. 272.69 Cr. up by 128% from Rs. 119.42 Cr.
- Profit after Tax (PAT) at Rs 2.89 Cr. up by 64% from Rs 1.76 Cr.

Trailing Twelve Months ended 30th September, 2015 HIGHLIGHTS:

- Total Income at Rs. 496.60 Cr.
- Profit after Tax (PAT) at Rs 7.09 Cr.

MANAGEMENT'S STATEMENT

Commenting on the results, **Mr. Arvind Kajaria**, Managing Director said, "We are pleased with the results of this quarter with 159% increase in Revenue and 80% increase in Profit. During this quarter, we tied up with a new marketplace Jet.com and added a number of new suppliers & products to our offering, which is reflected in the topline growth. The new products have performed well and the technology platform has been further strengthened to seamlessly manage the upcoming holiday sales. Overall, we are excited about our performance in the quarter and about the market opportunity ahead of us. Our outlook for Q3 is positive. Macro trends and overall market conditions are expected to pick up further as the quarter celebrates major festivals in markets where we have a strong presence.



Given our leadership position and our ability to leverage market conditions, we are optimistic of enhancing our growth trajectory."

Highlights

E-COMMERCE BUSINESS

During the quarter the E-Commerce business saw impressive performance growth and improvement in all parameters.

One of our marketplace partners, Amazon.com, celebrated their 20th Birthday by launching "Prime Day" on July 15th, a shopping event that offered shoppers new deals as fast as every 10 minutes, and from every product category. This event was met with tremendous success and great reviews and as one of the key partners to Amazon.com, 123Stores revenues on Prime Day was up more than 500% Y-o-Y. We look forward to this becoming an annual event in the future.

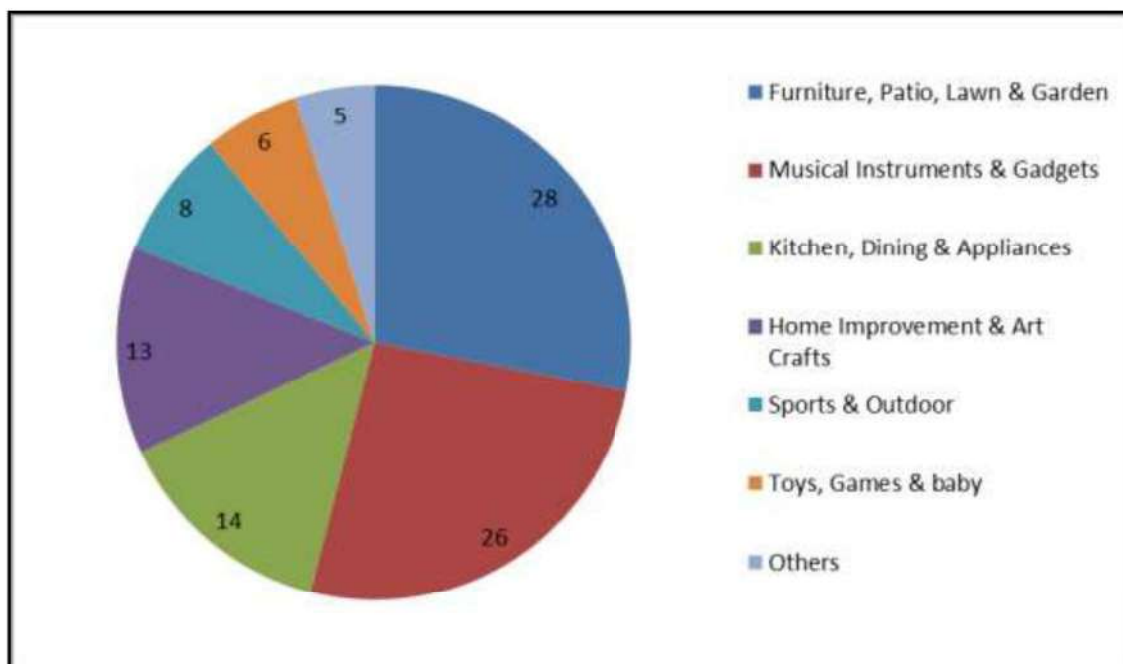
During the quarter, the Company expanded its catalogue to cater to the upcoming Holiday Season demand and is now partnered with more than 1440 Suppliers and is selling more than 2,65,000 unique products on its website and partnered marketplaces.

Revenue:

Particulars	Q2 FY 2015-16	Q2 FY 2014-15	Growth (%)
E-Commerce Revenue	150.59 Cr.	55.98 Cr.	169%

E-Commerce Revenues increased from Rs 55.98 Cr. to Rs 150.59 Cr. during the quarter, a growth of 169% Y-o-Y. This growth was across all product categories, with Furniture, Patio, Lawn & Garden being the largest category.

The Top Product Categories by Revenues during Q2 FY2015-16 were



Product Categories	% of Sales
Furniture, Patio, Lawn & Garden	28%
Musical Instruments & Gadgets	26%
Kitchen, Dining & Appliances	14%
Home Improvement & Art Crafts	13%
Sports & Outdoor	8%
Toys, Games & Baby	6%
Others	5%

Orders Shipped:

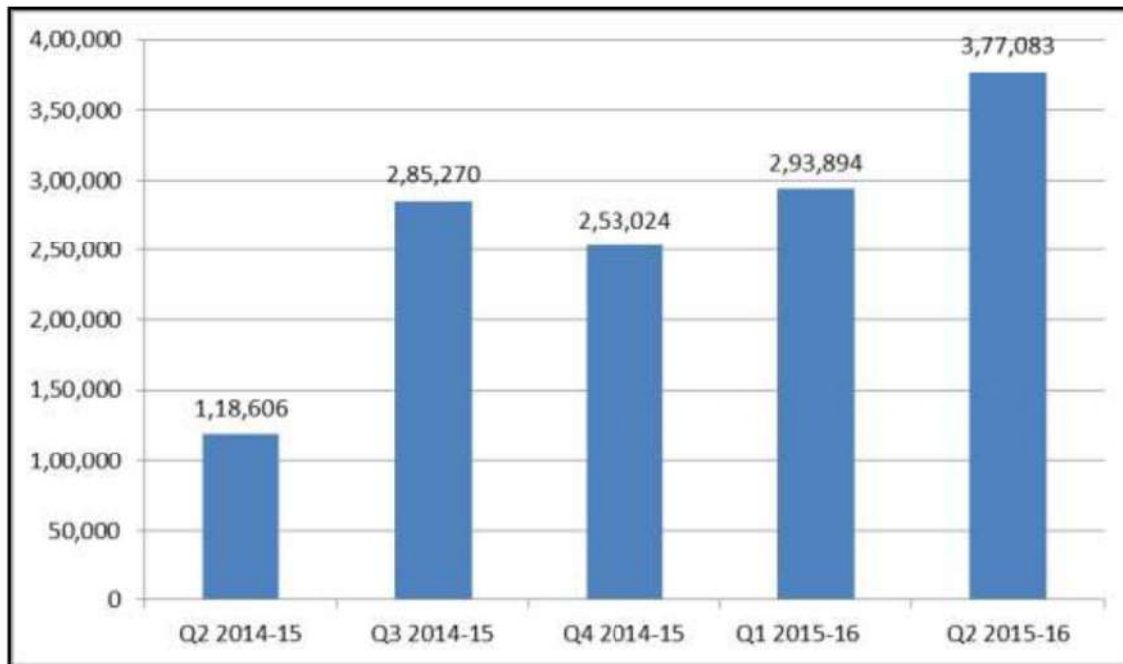
Particulars	Q2 FY 2015-16	Q2 FY 2014-15	Growth (%)
Orders Shipped	377,083	118,606	218%

The Number of Orders Shipped grew tremendously over the quarter from 118,606 to 377,083, a growth of 218% Y-o-Y. Our proprietary technology platform allows us to scale order volumes with minimal human intervention, enabling cost savings as we grow volumes.

The Number of Orders Shipped during the last 5 quarters were



IntraSoft Technologies Limited Reports Revenues of Rs 155 Cr. For Q2 FY2015-16
Published on IntraSoft Technologies Limited (<http://www.itlindia.com>)



Quarter	Orders Shipped
Q2 2015-16	377,083
Q1 2015-16	293,894
Q4 2014-15	253,024
Q3 2014-15	285,270
Q2 2014-15	118,606

As we leveraged our technology and efficient supply chain, we were able to offer customers a better shopping experience including a better price point. Accordingly, we were able to sell many newer lower priced products during the year, resulting in a lower average order value of Rs. 3994 as compared to Rs. 4720 Y-o-Y, but much higher number of orders shipped.

GROSS MARGIN:

Particulars	Q2 FY 2015-16	Q2 FY 2014-15	Improvement (%)
Cost of Goods Sold (Inc. Shipping)	82.0%	80.6%	-1.4%
Gross Margin	18.0%	19.4%	



As the operations of the Company continue to expand, expenses related to shipping & handling represent an important area of Cost of Good Sold (COGS). Moving forward, we shall report a summation of the cost of products as well as the Shipping & Handling Expenses as Cost of Good Sold (incl. Shipping).

The slight decrease in the Gross Margin was because of the addition of newer suppliers and products to the catalog and also because of the slight shift in the sales mix. As the sales momentum continues to improve, the overall Gross Margin will trend upwards as the year progresses and we continue to increase our purchases from these newer suppliers.

Inventory:

As on September 30th 2015, Inventory at our warehouses was Rs. 32.37 Cr. The increase is primarily to cater to the upcoming holiday season demand.

Other Highlights:

During the quarter, 123Stores, Inc. integrated with Jet.com, an e-commerce marketplace, making it the 9th shop-in-shop partnership for 123stores.com. Now with this integration the partnered market places are Amazon, Ebay, Rakuten (Buy.Com), Bestbuy, NewEgg, Sears, Amazon Canada, Alibaba's 11 Main and Jet.Com.

During the quarter, a 100% subsidiary of 123Stores, Inc. was formed in India under the name of 123Stores E Commerce Pvt. Ltd. to increase focus on the E-Commerce business by consolidating all operations related to E-Commerce under 123Stores, Inc. so as to further increase financial and operational efficiencies.

E-GREETINGS BUSINESS

123Greetings.com continued to see increased Mobile Application usage Y-o-Y with increase in the number of cards sent, from 2.40 Lakhs in Q2 FY 2014-15 to 2.52 Lakhs during Q2 FY2015-16. Mobile application downloads reached 7.63 Lakhs as on 30th September, 2015. E-Greetings business revenue for Q2 FY2015-16 was Rs. 3.39 Crs.

Exceptional Items:

During the quarter, the Company sold 5,50,000 shares held by Intrasoft Beneficiary Trust, whose sole beneficiary is the Company, at a rate of Rs 510 per share resulting in a Net Gain after expenses of Rs. 2696 Lakhs. The funds raised were used to expand our E-Commerce Business as we head into the Holiday Season.

Additionally, the Company completed the review of the software assets that have been under development for some time. These software assets were related to different features of the E-



Commerce Business that were yet to be launched. Management decided to write off these software assets under development amounting to Rs 2635 Lakhs as an exceptional item as these software resources would not be contributing to future revenues. As the write off would be of a non-cash nature, this would not have any impact on cash flows or on operations. This write off completes the review process of all the software assets of the Company. Since April 2013, all software development expenses are expensed in the same year as and when they are incurred.

Consequently, there was a net gain from Exceptional Items amounting to Rs. 61 Lakhs in the quarter.

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly Financial Performance for Q2 FY2015-16 on **Thursday, November 05, 2015 at 2 p.m. (IST)**. Investors and participants can access the call by dialing either of the following access numbers.

Access Numbers	
Primary Number:	+91 22 3960 0711
Secondary Number:	+91 22 6746 8311
Toll Free Number:	USA: 1866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

The Participants from IntraSoft Technologies Ltd would be **Mr. Arvind Kajaria (Managing Director)** and **Mr. Mohit Kumar Jha (Senior Manager – Finance)**. An archive of the conference call transcript will be available at www.itlindia.com.

ABOUT INTRASOFT TECHNOLOGIES LIMITED:

IntraSoft Technologies Limited owns & operates 123Stores, an Online E-Commerce Retailer & 123Greetings.com, an online greeting cards Company.

123Stores, Inc. is a multi-channel E-Commerce retailer with a strong technology backbone that combines supply chain logistics with real time customer data to create a compelling shopping experience. The Company is ranked #392 on the Internet Retailers 2015 Top 500 list and is ranked #1,641 in Inc. 5,000 list of fastest growing private US companies.

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.



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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UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2015

123 Stores E-Commerce Q2 Revenue up by 169% to ₹151 Cr. from ₹56 Cr. Y-o-Y
E-Commerce Q2 Order Volume up by 218% to **377,083 orders** from 118,606 orders Y-o-Y
123 Greetings

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30/09/2015	30/06/2015	30/06/2014	30/09/2015	30/09/2014	31/03/2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income						
(a) Income from Operations	15397.67	11773.34	5963.12	27171.01	11920.29	34291.03
(b) Other Operating Income	70.77	26.94	0.30	97.71	21.60	41.77
Total Income from Operations	15468.44	11800.28	5963.42	27268.72	11941.89	34332.80
2. Expenditure						
(a) Product & Content Development	12396.15	9419.40	4430.93	21815.55	8869.38	26248.55
(b) Sales and Marketing Expenses	2100.17	1631.57	843.29	3731.74	1704.52	5004.17
(c) General and Administrative Expenses	307.82	168.83	190.21	476.65	391.75	801.10
(d) Employees Benefit Expenses	490.13	485.45	434.78	975.58	841.83	1782.43
(e) Depreciation	37.75	34.27	35.99	72.02	70.71	146.59
Total Expenditure	15332.02	11739.52	5935.20	27071.54	11878.19	33982.84
3. Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	136.42	60.76	28.22	197.18	63.70	349.96
4. Other Income	44.21	115.38	109.20	159.59	186.25	410.56
5. Profit before Finance Cost and Exceptional Items (3+4)	180.63	176.14	137.42	356.77	249.95	760.52
6. Finance Costs	45.89	35.16	16.67	81.05	33.78	75.99
7. Profit before Exceptional Items (5-6)	134.74	140.98	120.75	275.72	216.17	684.53
8. Exceptional items (Net) (Refer Note 7 below)	61.33	0.00	0.00	61.33	0.00	0.00
9. Profit from Ordinary Activities (7+8)	196.07	140.98	120.75	337.05	216.17	684.53
10. Tax expense	29.68	18.69	28.38	48.37	40.49	88.44
11. Net Profit from Ordinary Activities after Tax (9-10)	166.39	122.29	92.37	288.68	175.68	596.09
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)	166.39	122.29	92.37	288.68	175.68	596.09
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						6477.76
16. Earnings per Share (EPS) (₹) Basic and diluted EPS before and after Extraordinary Items	01.13	0.83	0.62	1.96	1.19	4.05
17 PARTICULARS OF SHAREHOLDING						
(i) Public Shareholding						
- Number of Shares	6531664	5981664	5981664	6531664	5981664	5981664
- Percentage of Shareholding	44.34	40.60	40.60	44.34	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	0.00	0.00	0.00	0.00	0.00	0.00
(as a % of the Total Shareholding of Promoter and Promoter Group)	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	100.00	100.00	100.00	100.00	100.00	100.00
(as a % of the Total Shareholding of Promoter and Promoter Group)	100.00	100.00	100.00	100.00	100.00	100.00
(as a % of the Total Share Capital of the Company)	55.66	59.40	59.40	55.66	59.40	59.40

STANDALONE INFORMATION

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30/09/2015	30/06/2015	30/06/2014	30/09/2015	30/09/2014	31/03/2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	983.62	925.70	676.00	1909.32	1313.40	3062.89
Profit before Tax and Exceptional Items	286.28	282.74	68.86	569.02	147.88	579.50
Profit after Tax and Exceptional Items	317.44	264.07	40.52	581.51	107.40	501.47

PARTICULARS	Quarter ended 30/09/2015
18. Investor Complaints	
Pending at the beginning of the quarter	0
Received during the quarter	3
Disposed of during the quarter	3
Remaining unresolved at the end of the quarter	0



Scan this QR code to download Un-Audited Financial Results for the Quarter and Half Year Ended 30th September, 2015.

STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	As at	
	30/09/2015	31/03/2015
	(Unaudited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
a) Share Capital	1473.17	1473.17
b) Reserves and Surplus	6798.62	6477.76
(2) Non-current Liabilities		
a) Long-term Borrowings	670.08	212.37
b) Deferred Tax Liabilities (Net)	63.19	14.16
c) Other Long term Liabilities	94.33	78.73
d) Long-term Provisions	59.13	82.84
(3) Current Liabilities		
a) Short-term Borrowings	1639.50	0.00
b) Trade Payables	1450.95	1267.16
c) Other Current Liabilities	1224.53	974.19
d) Short-term Provisions	1.21	178.52
TOTAL	13474.71	10758.90
II. ASSETS		
(1) Non-current Assets		
a) Fixed Assets	1900.00	4397.28
b) Non-current Investments	3536.03	896.00
c) Long-term Loans and Advances	54.38	13.64
(2) Current Assets		
a) Current Investments	0.00	0.00
b) Inventories	3236.91	1212.86
c) Trade receivables	892.06	317.41
d) Cash and bank balances	1772.80	1333.23
e) Short-term loans and advances	2059.13	2425.25
f) Other current assets	23.40	163.23
TOTAL	13474.71	10758.90

NOTES :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on 4th November, 2015.
- 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.
- During the quarter, a 100% subsidiary of 123Stores, Inc. was formed in India under the name of 123Stores E Commerce Pvt. Ltd. to increase focus on the E-Commerce business by consolidating all operations related to E-Commerce under 123Stores, Inc. so as to further increase financial and operational efficiencies.
- ITL's Consolidated Financial Results include the results of the following companies :-
 - 123Stores, Inc. (USA)
 - 123Greetings.com, Inc. (USA)
 - IntraSoft Ventures Pte. Ltd. (Singapore)
 - One Two Three Greetings (India) Pvt. Ltd. (India)
 - 123Stores E Commerce Pvt. Ltd. (India)
- The Standalone and Consolidated financial results of the Company for the quarter ended 30th September, 2015 are available on the Company's website www.ilindia.com
- Foreign Exchange Gain on export sale is shown separately under Other Operating Income.
- Exceptional Items (Net) includes a net gain amounting to ₹ 61 Lacs in the quarter. During the quarter, the Company sold 5,50,000 shares held by IntraSoft Beneficiary Trust, whose sole beneficiary is the Company, at a rate of ₹ 510 per share resulting in a Net Gain after expenses of ₹ 2696 Lakhs. The funds raised were used to expand our E-Commerce Business as we head into the Holiday Season. Additionally, the Company completed the review of the software assets that have been under development for some time. These software assets were related to different features of the E-Commerce Business that were yet to be launched. Management decided to write off these software assets under development amounting to ₹ 2635 Lakhs as an exceptional item as these software resources would not be contributing to future revenues. As the write off would be of a non-cash nature, this would not have any impact on cash flows or on operations. This write off completes the review process of all the software assets of the Company. Since April 2013, all software development expenses are expensed in the same year as and when they are incurred.
- Previous quarters / years figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Ltd.

Sd/-

Arvind Kalaria
Managing Director

Place: Kolkata
Date: 4th November, 2015