



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)

Total Income at Rs. 2908 lacs up by 22% from Rs. 2392 lacs

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	(Rs. in Lacs) 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	(Rs. in Lacs) 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 3rd 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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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.