



IntraSoft Technologies Limited

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February 8, 2018

Corporate Relationship Department

BSE Limited
P.J.Towers, Dalal Street,
Fort, Mumbai

Listing Department

National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Mumbai

Scrip code: 533181 / ISFT

Dear Sir,

Sub: Press Release on Financial Results

Ref: Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to captioned matter, please find enclosed herewith a copy of press release proposed to be released by the Company on Financial Results for the quarter ended on December 31, 2017.

This is for your information and records.

Thanking You,

Yours faithfully,

For IntraSoft Technologies Limited



Pranvesh Tripathi
Company Secretary & Compliance Officer

Encl: as above



PRESS RELEASE



Mumbai, February 8, 2018

INTRASOFT TECHNOLOGIES LIMITED REPORTS REVENUE UP 27% Y-o-Y

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its unaudited Consolidated Financial Results according to Ind-AS for the Quarter ended 31st December 2017.

Nine Months FY2017-18 HIGHLIGHTS: (All comparisons are with Nine Months FY2016-17 figures)

- Revenue grew by 27% in constant currency terms.
- Revenue grew by 22% to Rs 885.41 Cr from Rs 722.90 Cr in INR terms.

Q3 FY2017-18 HIGHLIGHTS: (All comparisons are with Q3 FY2016-17 figures)

- Revenue grew by 25% in constant currency terms.
- Revenue grew by 20% to Rs 338.26 Cr from Rs 281.76 Cr in INR terms.

Trailing Twelve Months ended 31st December 2017 HIGHLIGHTS: (All comparisons are with TTM ended 31st December 2016 figures)

- Revenue grew by 25% in constant currency terms.
- Revenue grew by 21% to Rs 1101.51 Cr from Rs 909.52 Cr in INR terms.

MANAGEMENT'S STATEMENT

Commenting on the results, Mr. Arvind Kajaria, Managing Director said, "We are pleased to report a revenue growth of 25% during the quarter, seeing a marked improvement from the growth of 6% during the same quarter last year.



During the quarter (Q3FY18), which happens to be the holiday season in USA, we traditionally have a higher mix of sales coming from the Toys category. We saw headwinds in this category as one of the largest offline toy retailers filed for bankruptcy protection entering into the holiday season. This led to deep discounting across the Toy category. We reduced our sales in this category vis-à-vis our earlier expectation. However, this still had some negative impact on our sales, while the deep discounting partially impacted our margins. We believe this is transitory and going forward should have a positive impact on our sales as distribution channels normalise and share of online channel increases.

In the third quarter last year (Q3FY17), we were in the midst of a structural change, which had led to a slowdown in addition of new products and hence higher margins, while compromising on sales growth. From this quarter (Q3FY18), we have started to make fresh investments to add new products to our selection. However, this impacted our EBITDA this quarter, but will help us accelerate our growth trajectory in the coming quarters.

We anticipate our sales growth to accelerate in Q4 as we start to make investments to increase our selection. To that end, we ended this Quarter with a higher inventory level as compared to Q3FY17 along with a higher Goods in Transit level. The rapid increase resulted in an increased investment in inventory during the quarter, even before the benefits of our supplier credit negotiations start kicking in. As a result, the differential cash flow was invested by the Company during the quarter. As the year progresses, we should see the benefits of the credit negotiations resulting in cash flow generation again.

Our working capital requirement reduced to 14 days during TTM Q3FY18, in comparison to 20 days during TTM Q3FY17, an improvement of 30% Y-o-Y, while continuing to grow revenues. Going forward, we would gradually improve our working capital cycle by increasing suppliers credit and maintaining high inventory performance.

Our revenue per employee increased significantly year-on-year during Trailing twelve months Q3FY18 to a record high, which shows the strength of our automation engine and scalability of our technology platform, placing us amongst the best-in-class tech companies in terms of employee productivity.

During the quarter, the US government reduced its tax rate from 35% to 21% effective from Jan 1, 2018. The tax savings enable us further to add more suppliers and new products, fueling our growth for the coming years and increasing our market share.

We are seeing tremendous traction from customers as we focus on leveraging technology and innovation to reinvent the way customers shop and build a truly differentiated retail experience. We remain firmly focused on delighting our customers as we continue to innovate and raise the bar in



terms of selection, service and the experience. We look forward to making great strides as the year progresses and continue to build the 123Stores brand. Overall, we are very enthusiastic about our long-term growth.”

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly & Nine Months Financial Performance for Q3 FY2017-18 on **Friday, February 9th, 2018 at 1.00 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 0551
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 (Chief Financial Officer)**. 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.

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 #223 on the Internet Retailers 2017 Top 500 list and is ranked #689 in Inc. 5000 (2017) list of fastest growing private US companies.

IntraSoft Technologies Limited also owns & operates 123Greetings.com, the world's leading online destination for human expressions reaching 95 million visitors annually.



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.