



IntraSoft Technologies Limited

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February 3, 2016

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

With reference to captioned matter, please find enclosed herewith a copy of press release proposed to be released by the Company alongwith FAQs.

This is for your information and records.

Thanking You,

Yours faithfully,
For IntraSoft Technologies Limited

Rakesh Dhanuka
Company Secretary & Compliance Officer



Encl: as above



PRESS RELEASE



Mumbai, February 3, 2016

INTRASOFT TECHNOLOGIES LIMITED REPORTS REVENUES OF Rs. 259 Cr. FOR Q3 FY2015-16

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Unaudited Consolidated Financial Results for the Quarter and Nine Months ended December 31, 2015.

Q3 FY2015-16 HIGHLIGHTS: (All comparisons are with Q3 FY2014-15 figures)

- Total Income at Rs. 258.54 Cr. up by 111% from Rs. 122.63 Cr.
- Profit after Tax (PAT) at Rs 5.17 Cr. up by 25% from Rs 4.15 Cr.

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

- Total Income at Rs. 530.80 Cr. up by 119% from Rs. 242.05 Cr.
- Profit after Tax (PAT) at Rs 8.06 Cr. up by 36% from Rs 5.91 Cr.

Trailing Twelve Months ended 31st December, 2015 HIGHLIGHTS:

- Total Income at Rs. 632.08 Cr.
- Profit after Tax (PAT) at Rs 8.11 Cr.

MANAGEMENT'S STATEMENT

Commenting on the results, **Mr. Arvind Kajaria**, Managing Director said, "It was a water shed quarter for us. The highlight was the harmonious collaboration of all the internal teams which came together and delivered impressive topline growth. The quarter also saw the system develop a high level of maturity as it passed the stress test of the holiday season. This gives further confidence as we embark on a journey of continuous growth."



Highlights

E-COMMERCE BUSINESS

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

We reported record sales of over \$4.4 million from Thanksgiving Day to Cyber Monday, a 122% percent increase over last year. Thanksgiving sales were up 144% , Black Friday sales were up 124%, Cyber Monday broke all records with the highest sales in a single day with 120% up Y-o-Y. 123Stores sold more than 85,000 units during the 5 day period, as compared to approx. 32,000 units last year, a growth of 160% Y-o-Y.

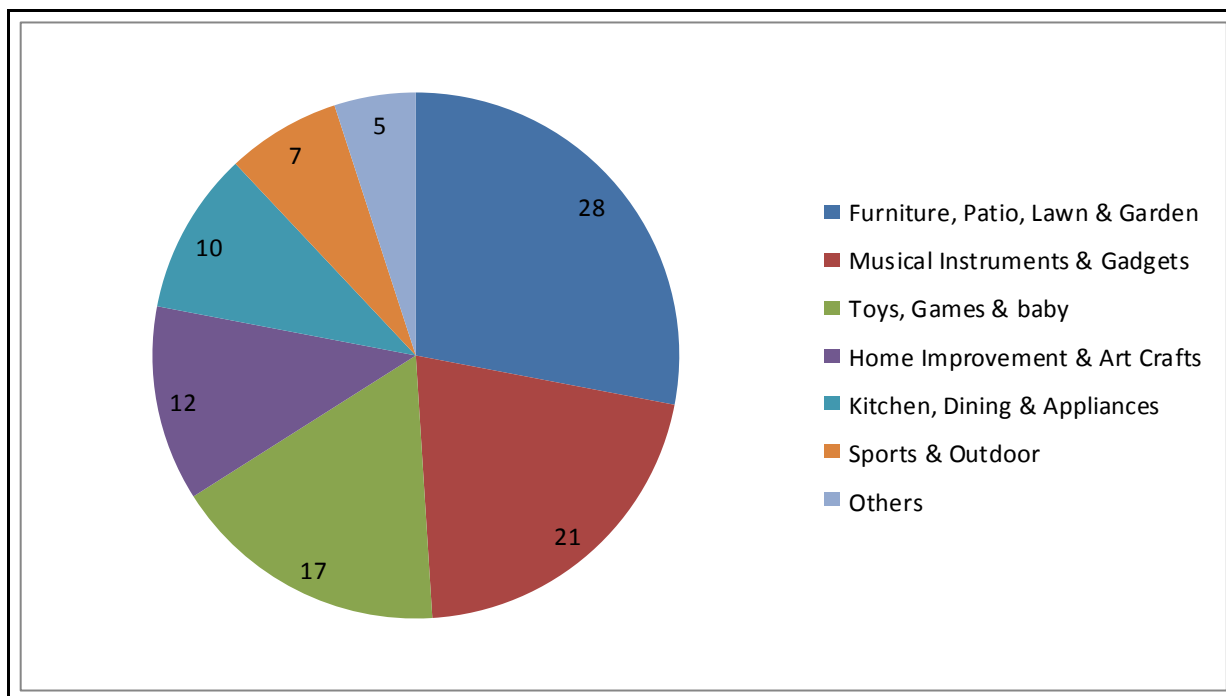
During the quarter, the Company expanded it's catalogue and is now partnered with more than 1500 Suppliers and is selling more than 3,10,000 unique products on its website and partnered marketplaces.

Revenue:

Particulars	Q3 FY 2015-16	Q3 FY 2014-15	Growth (%)
E-Commerce Revenue	252.65 Cr.	117.56 Cr.	115%

E-Commerce Revenues increased from Rs 117.56 Cr. to Rs 252.65 Cr. during the quarter, a growth of 115% 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 Q3 FY2015-16 were



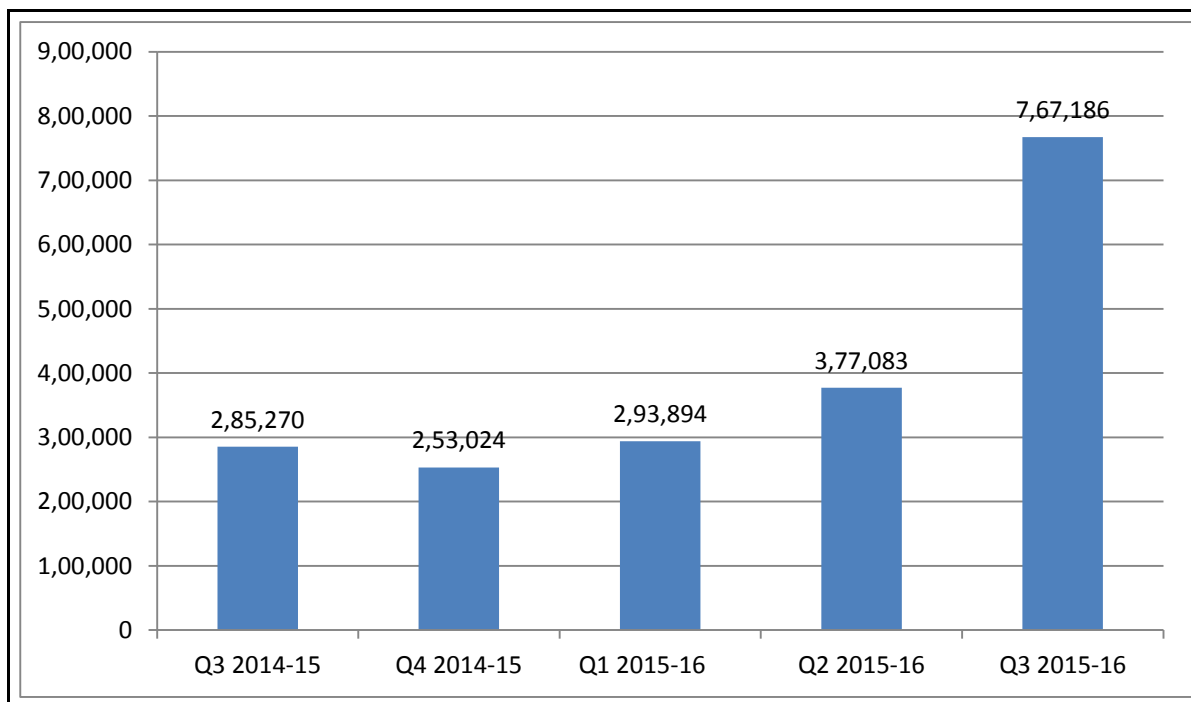
Product Categories	% of Sales
Furniture, Patio, Lawn & Garden	28%
Musical Instruments & Gadgets	21%
Toys, Games & Baby	17%
Home Improvement & Art Crafts	12%
Kitchen, Dining & Appliances	10%
Sports & Outdoor	7%
Others	5%

Orders Shipped:

Particulars	Q3 FY 2015-16	Q3 FY 2014-15	Growth (%)
Orders Shipped	767,186	285,270	169%

The Number of Orders Shipped grew tremendously over the quarter from 285,270 to 767,186, a growth of 169% 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



Quarter	Orders Shipped
Q3 2015-16	767,186
Q2 2015-16	377,083
Q1 2015-16	293,894
Q4 2014-15	253,024
Q3 2014-15	285,270

Gross Margin:

Particulars	Q3 FY 2015-16	Q2 FY 2015-16	Improvement (%)
Cost of Goods Sold (Inc. Shipping)	80.7%	82.0%	1.3%
Gross Margin	19.3%	18.0%	

As the sales momentum continues to improve, we are continuing to see an improvement in Gross Margins from our existing products and suppliers, evidenced in our margin improvement from 18.0% in Q2 2015-16 to 19.3% in Q3 2015-16. Gross Margin Y-o-Y was not comparable because of the addition of newer suppliers and products to the catalog and also because of the slight shift in the sales mix.



Inventory:

As on December 31st 2015, Inventory at our warehouses was Rs. 42.33 Cr.

E-GREETINGS BUSINESS

123Greetings.com continued to see increased Mobile Application usage Y-o-Y with 4.46 Lakhs cards sent during Q3 FY2015-16. Mobile application downloads reached 9.10 Lakhs as on 31st December, 2015. E-Greetings business revenue for Q3 FY2015-16 was Rs. 5.89 Crs.

CHANGE IN AUDITORS

During the quarter we appointed M/s Walker Chandio & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s K. N. Gutgutia & Co., Chartered Accountants. The said appointment was also approved by shareholders during the quarter through Postal Ballot.

We believe, the new Auditors will add value in adapting to the International Accounting Standards and Financial Reporting as the Company mainly operates in the global markets through its subsidiaries.

We are also pleased to report that our subsidiary 123Stores, Inc. has appointed Grant Thornton, as its auditors.

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly Financial Performance for Q3 FY2015-16 on **Thursday, February 4th, 2016 at 12.30 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 (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 & 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 Ltd: Investor Relations

E-Commerce FAQs – February 3rd, 2015

1. What is your E-Commerce Business Model?

Our business model is to create a large distribution network wherein we can offer our customers a better shopping experience including a better price point by leveraging our technology, our efficient supply chain and our deep relationships with our suppliers.

Our technology allows us to offer a larger selection of products thereby having the ability to cater to a wider customer base. This results in a larger volume of orders, which allows us to leverage our technology, our efficient supply chain and our deep relationships with our suppliers, to offer a better price point to our customers. A better price point allows us to offer a larger selection of products, which again reinforces the cycle.

2. What are your E-Commerce revenues?

E-Commerce Revenues increased from Rs 117.56 Cr. to Rs 252.65 Cr. during the quarter, a growth of 115% Y-o-Y.

	Q3 FY 2014-15	Q3 FY 2015-16	Growth
Revenues	Rs. 117.56 Cr.	Rs. 252.65 Cr.	115%

The numbers of orders shipped increased from 2.85 to 7.67 Lakhs during the quarter, a growth of 169% Y-o-Y.

	Q3 FY 2014-15	Q3 FY 2015-16	Growth
Orders Shipped	285,270	767,186	169%

3. Where do you sell your products?

We sell our products on our own website, www.123stores.com

We also have shop in shop partnerships with other leading retailers and sell our products on these different marketplaces along with our own website. Based on our partnerships with different marketplaces, we are able to reach a large percentage of the online US population.

We are able to reach out to our customers in most of our sales channels in terms of repeat purchases, re-targeting sales promotions, and as such don't need to over differentiate our own website from any other sales channel.

As at 31st December, 2015, we sell our products through partnerships with Amazon.com, Ebay.com, Amazon Canada, Alibaba's 11main.com, Sears.com, New Egg, Bestbuy.com, Rakuten (Buy.com) and Jet.com.

All our products are available to USA & Canada customers only.

4. What is the revenues break-up among market places?

Every marketplace has a distinct and unique target market and it is not correct to compare them specifically in terms of the size. Some marketplaces are specialists in electronics, while another could be a specialist in furniture. We endeavor to source and sell products best suited to each particular marketplace. Universally, all products are available on our own website.

In Q3 FY 2015-16, Amazon.com was our largest marketplace partner followed by Ebay.com. Due to competitive reasons, we currently do not disclose the exact share of each of our marketplaces in our overall revenue mix.

5. Do you partner with Amazon or do you compete with them?

Amazon has converted its website into a marketplace and it encourages third party sellers to participate in their growth. We have successfully partnered with Amazon and as on 31st December 2015, we were selling more than 310,000 unique SKU's (Stock Keeping Units) on their marketplace.

We do have some overlap of products with Amazon, so we do compete with them as well. But it is Amazon's stated policy to grow their 3rd party network and expand the percentage of items sold by 3rd party sellers and hence the confidence in our business model.

6. What is your strategy for adding market places?

Our strategy is to expand to cover all marketplaces in the US first, so that our distribution network reaches 100% of the US online shoppers. Once we

establish a leadership role in the US, we will expand our coverage to other markets.

During Q2 FY 2015-16, 123Stores Inc. integrated with **Jet.com**, an e-commerce marketplace.

7. When are you going to start operations in India?

Our business model is more suited to a market where the marketplace model itself has already been developed. We believe that India is going to get to that phase in the near future.

8. How many products do you sell? What brands do you sell?

As on 31st December, 2015, we are selling more than 310,000 unique SKU's (Stock Keeping Units) in our catalog covering more than 1500 brands.

All the brands that we sell are currently based in United States and Canada.

Our Top Product Categories during Q3 FY 2015-16 were

Categories	Percentage
Furniture, Patio, Lawn & Garden	28%
Musical Instruments & Gadgets	21%
Toys, Games & Baby	17%
Home Improvement & Art Crafts	12%
Kitchen, Dining & Appliances	10%
Sports & Outdoor	7%
Others	5%

9. What is your pricing strategy?

We aim to offer our customers a better shopping experience including a better price point by leveraging our technology, our efficient supply chain and our deep relationships with our suppliers. Our operating efficiencies ensure that even at that price we are profitable. As a philosophy, we do not believe in selling at a loss.

10. Are you profitable?

Yes, we are profitable on a transactional level and as of 2015-16 on an overall level as well, and as we are on a growth trajectory, we continue to use our free cash flows to invest for growth. So far, we have aggressively invested in the growth of our business and this investment will continue.

As our sales momentum continues to improve, our operating expenses will increase in tandem as we continue to hire additional personnel primarily in merchandising, technology, operations, customer service and general and administrative functions. We have also invested substantially in developing partnerships with leading brands and will continue to invest to grow our supplier base.

11. How much inventory do you hold?

We hold minimal inventory in our own distribution centers. We have agreements with our suppliers that allow us access to their inventory directly at their warehouses & distribution centers. This also allows us to ship items from our supplier warehouses & distribution centers directly to our customers, thereby saving the costs of double shipping.

This supplier direct fulfillment network is a key component of our proprietary and seamlessly integrated technology platform, which also includes extensive supplier integrations and superior customer service.

For the balance, we follow an event led inventory model wherein we stock inventory for a specific promotion or time period. Typically, the inventory we hold in our warehouses consists of fast moving SKU's only. As on 31st December 2015, Inventory at our warehouses was Rs. 42.33 Cr.

12.What is your Gross Margin?

As the sales momentum continues to improve, we are continuing to see an improvement in Gross Margins from our existing products and suppliers, evidenced in our margin improvement from 18.0% in Q2 2015-16 to 19.3% in Q3 2015-16. Gross Margin Y-o-Y was not comparable because of the addition of newer suppliers and products to the catalog and also because of the slight shift in the sales mix.

13.What is your E-Commerce team size?

Our E-Commerce team size as at December 31st, 2015 was 202 employees.

14.What is the incentive for suppliers to tie up with 123Stores?

As an online retailer, we sell a vast number of products, sourced from thousands of brand-owners, across all major product categories, providing customers with a convenient and seamless shopping experience from our own website as well as in partnership with leading online marketplaces to enable us to reach over 95% of the online US population.

Our smarter online retail platform allows our suppliers to drive additional revenue and tap into our rapidly growing customer base, complementing their existing offline retail channels. Our suppliers can focus exclusively on

developing products which win customers, without having to worry about investing in online retail solutions, while we relentlessly deploy our technological expertise to build an eco-system which seamlessly integrates with their operations.

We also have deep relationships with UPS and Fed-Ex, both leaders in the logistics industry as well as partnerships with several regional carriers. Our far reaching services and integrated network allows for the fastest possible deliveries and no hassles for them or our customers.