IntraSoft Technologies Limited

Annual Report 2014-15

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Commerce is now e-commerce.

At IntraSoft Technologies, we are harnessing the transformative power of ‘e’!

IntraSoft Technologies Limited is...

...a net profit-positive e-commerce player focused on the US online retail space.

... a company that grew revenues 12x between 2009-10 and 2014-15.

IntraSoft Technologies. Leveraging the e-space.

- **123Stores** is a multi-channel retailer, marketing 200,000 products from over 1300 brands in the US online retail space.

- **123Greetings** is the world's leading e-greeting destination for human expressions, reaching 95 million visitors annually. It provides over 42,000 e-cards across multiple languages, covering a mix of 3,000 seasonal and everyday categories.

59.4%
Promoter's holding

12.2%
Foreign Venture Capital holding

343
Revenues in 2014-15 (₹ crore)

5.96
Net Profit in 2014-15 (₹ crore)

260+
Team size (March 31, 2015)

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e-click... more frequently every second!

E-commerce is an idea that continues to grow.

For reasons of economy, convenience, choice and access.

Global e-commerce sales increased more than 20% to almost US$840 billion in 2014.

While e-commerce has grown exponentially, online retail accounts for only 5.9% of global retail sales (in-store and internet purchases).

Even as this number is expected to increase to 8.8% by 2018, it will be only a fraction of the overall sales being reported across the world.

Making this a business with decades of sustainable growth potential.

The big message that we wish to send out is: even as online retail appears to be the latest fad the world over, the reality is that it has barely scratched its true potential.

Global e-commerce sales
(US$ billions)

e-commerce numbers

840
Sales in 2014 (US$ billion)

20%
Growth in sales over 2013

5.9%
Share of online retail in total retail sales (2014)

8.8%
Estimated share of online retail in total retail sales (2018)

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e-commerce... just the business to be in

The US. The largest. The best.

At IntraSoft, we strategised to start our e-commerce business in the US for some good reasons.

The US is the world's largest online retail market (estimated value US$ 263 billion, 2013) and one of the fastest growing.

We have been present in this geography for 17 years through our e-greetings business. We understand the customer needs comprehensively.

Best of all, a successful US presence provides the business with an unmatched experience a grounding that makes it possible to succeed in any market.

Who is clicking to buy in the US?

Some 69% of U.S. adults who regularly buy online, purchase about 16% of their products online. These consumers (25 to 33 years old, Gen Y) spent an average of US$563 every three months (February-April, 2014); consumers (34-47 years, Gen X) spent an average US$535 online during the same period *(Source: Forrester data)*.

This proves something conclusive: that e-commerce is not necessarily an 'age' thing largely preferred by those who are tech-savvy and young. This is now a universal phenomenon. An idea whose time has come.

Where does the trend go from here?

There are two interesting growth curves at play here. One, the U.S. e-commerce sales curve is expected to grow from US$ 263 billion in 2013 to US$414 billion in 2018 (Source: Forrester). Two, the share of e-commerce in total retail sales is expected to grow as well - from 8% in 2013 to 11% in 2018.

This double-impact - growth on a larger base - is expected to enlarge the e-commerce market significantly, strengthening prospects for established e-commerce brands.

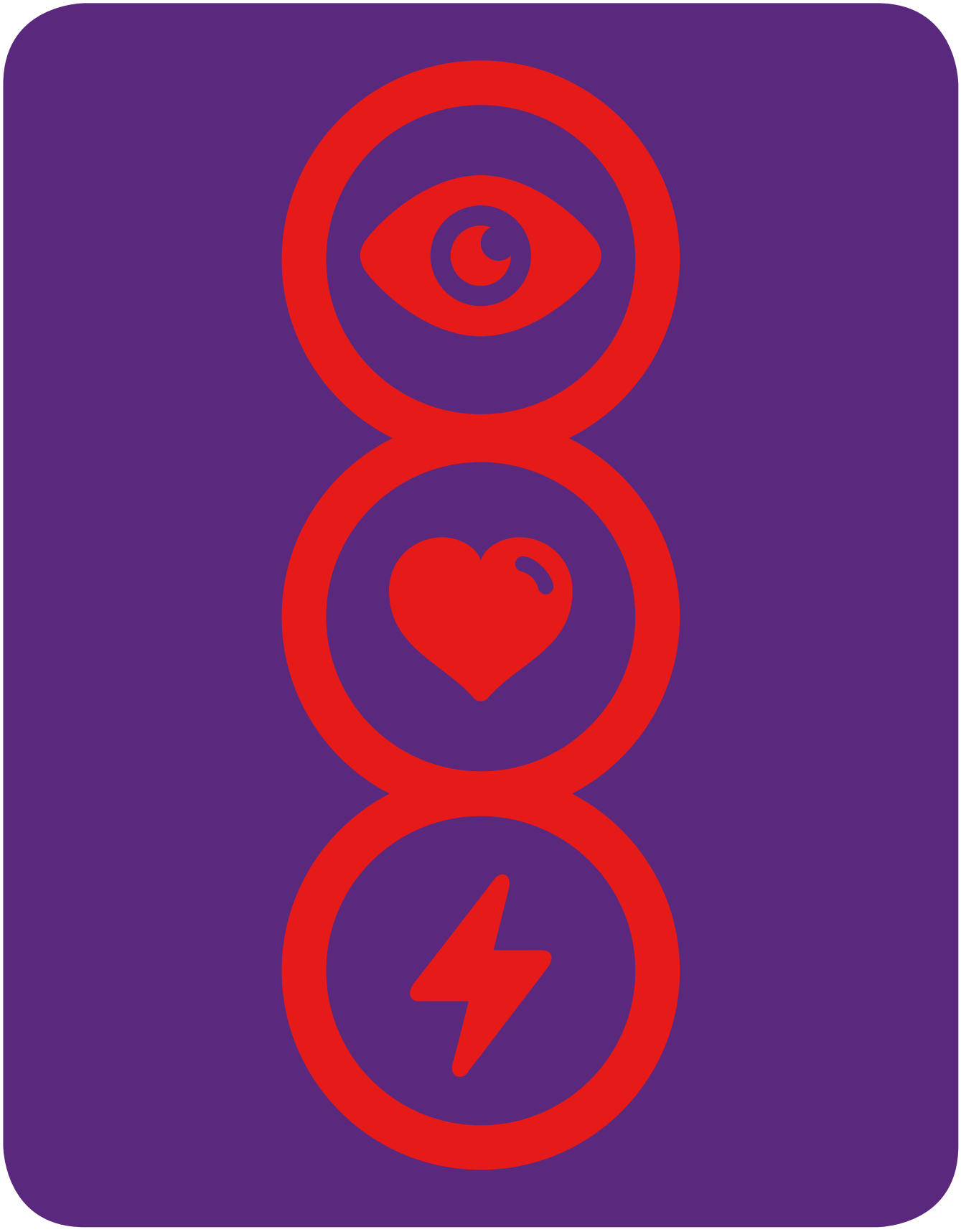
US online retail statistics

1
Largest online retail market globally (2014)

US$ 263 bn
Size of the online retail market in the US (2013)

8%
Share of the total retail market in the US (2013)

US$ 414 bn
Size of the online retail market in the US (2018)

11%
Share of the total retail market in the US (2018)

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