



Blue Star Limited
Kasturi Buildings,
Mohan T Advani Chowk,
Jamshedji Tata Road,
Mumbai 400 020, India.
T : +91 22 6665 4000
F : +91 22 6665 4152
www.bluestarindia.com

March 9, 2018

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 023
Scrip Code: 500067

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai –400 051
Scrip Code: BLUESTARCO

Dear Sir,

Sub: Press Release

Please find enclosed the Press Release for your information.

Kindly acknowledge and take the same on records.

Thanking you,

For Blue Star Limited

Vijay Devadiga
Company Secretary
Encl: A/a

PRESS RELEASE

Blue Star launches 40 new models of highly energy-efficient inverter split air conditioners, designed to deliver extraordinary benefits

Air conditioning and commercial refrigeration major, Blue Star Limited, has set a new industry benchmark with the launch of 40 new models of highly energy-efficient 3-star and 5-star inverter split air conditioners, designed to deliver extraordinary benefits. This range promises up to 30% Extra Cooling Power resulting in powerful cooling, faster temperature pull-down and extra energy savings; Extra Comfort with precise temperature setting in steps of 0.1°C and 0.5°C; Extra Quiet performance with a 'soundproof' acoustic jacket for the compressor; and Extra Purification technology for healthier air.

This state-of-the-art, smart range of inverter split air conditioners from Blue Star meets the 2018 BEE energy-efficiency norms, providing the right match for cooling requirements across residential, commercial and institutional segments.

Blue Star, which turns 75 this year, forayed into the residential segment in 2011 and has since, grown from strength to strength, year-after-year by outperforming the industry. Currently, it enjoys a market share of 11.5%.

New line-up of highly energy-efficient 3-star and 5-star inverter split ACs

Blue Star has set a new standard through its latest line-up of room air conditioners comprising over 100 models, 40 of which are equipped with the latest inverter technologies. The stellar array ranges from 0.75 TR to 4.5 TR across 2-star and 3-star split ACs as well as 3-star and 5-star inverter split ACs. For towns and cities prone to extreme climatic conditions, there is a complete range of inverter split ACs with Hot & Cool Inverter

Technology that cools in summers and heats during winters. 3 models of the 5-star inverter split AC range have a smart Wi-Fi feature, enabling the user to operate the machine remotely. These machines with Precision Cooling Technology deliver precise cooling in decimals, as accurate as 0.1°C or 0.5°C. In addition, these also imbibe Dual Rotor Technology, resulting in faster cooling, quieter operations and longer durability. The launch of 17 top end models in the 5-star inverter split AC category is yet another industry first set by the Company.

Blue Star's share in the inverter and 5-star air conditioners segment is higher than that of the industry, signifying that the Company enjoys a preference amongst discerning consumers who purchase premium products. The complete range of inverter models is equipped with eco-friendly refrigerants. The entire series of 3-star and 5-star inverter split air conditioners is designed to operate smoothly within a voltage range of 160V - 270V, without the aid of an external voltage stabiliser.

New smart customer-centric mobile app ensures enhanced comfort, offers personalisation at its best

Blue Star's new smart customer-centric mobile app, in addition to its capability to remotely monitor and control the machine, allows the consumers to personalise their AC profile, group the ACs for better control, optimise settings as well as integrate this app with home automation systems.

Research & Development

Blue Star actively participates in several national and international forums as well as regulatory bodies which are involved in the study of energy-efficiency of products in high ambient temperature conditions; and the technological feasibility and performance of new eco-friendly refrigerants with low global warming potential as well as related safety issues. Blue Star has a world-class, AHRI-certified R&D facility which develops products of international standards that are best-in-class in the industry. Two psychometric labs for air conditioners have received accreditation from National Accreditation Board for Testing

and Calibration Laboratories (NABL). With enhanced capability in reliability and electronics, it has a strong foundation for digital and smart products. Blue Star has developed in-house capabilities to test and certify safety compliance of its products. The R&D function continues to have an approved status from Department of Scientific and Industrial Research (DSIR). The Company intends to increase its investment to Rs 40 crores in FY19 as against Rs 33 crores in FY18 on new product development as well as its research and design initiatives. Blue Star is committed to develop customised, modern and sophisticated products which can compete with the best in the world.

Distribution

As regards to distribution, in 2019, Blue Star's room air conditioners will be available at 4500 outlets in 550 locations spread across the length and breadth of the country, vide exclusive as well as multi-brand sales outlets, service dealers, retail showrooms and modern trade. The Company has a strong installation and service franchise network to support the retailers. Presently, Blue Star has 150 exclusive product stores in the country, and plans to increase it to 200 stores by the end of FY19. Around 52% of Blue Star's room air conditioner sales are from smaller towns since consumers in these markets are aspirational and prefer premium brands.

The brand offers 0% finance with attractive EMI options vide tie-ups with leading banks and finance firms. Over 25% sales are through such easy finance options.

Service

Blue Star continues to be the largest after-sales air conditioning service provider in the country. All its services are ISO 9001-2008 certified. Currently, there are 500 expert service associates, which will be increased to 750 associates across locations in FY19. As part of its Gold Standard Service Programme, it offers superior after-sales service with the use of several customised smart applications, modernisation of tools and tackles as well as remote monitoring, besides others.

Advertising and Brand Communication

The consumers in the room air conditioners segment are quite brand-conscious, preferring specialist air conditioning players. This has worked to the advantage of Blue Star since it enjoys the reputation of being a premium and aspirational brand, and its rich pedigree and high quality product array has been in conjunction with this image.

In terms of advertising and brand communication, the Company has plans to invest about Rs 55 crores in the forthcoming summer season as against Rs 45 crores in FY18, with a set of TV commercials supported by ads in mainline dailies, cinema and hoardings. It also intends to enhance its digital marketing efforts in social media as well as the internet. The differentiated value proposition 'Nobody cools better' has resonated well with the residential audience, and will continue to leverage Blue Star's superior expertise in cooling.

Blue Star has been persistent with its strategy of Integrated Marketing Communication comprising mass media, field promotions, digital platforms, Press, events and social media, apart from one-to-one marketing which has helped fortify its brand equity amongst customers and consumers.

Air Coolers and Air Purifiers

Last year, Blue Star expanded its product line in the adjacent category of cooling with the launch of air coolers in limited quantities. Post an encouraging response, the Company is furthering the product reach across all geographical locations with 9 models. Blue Star air purifiers were launched during the festive season with high-end premium models made available to customers, and the range is being expanded to cover all price points during FY19.

Targeted Growth for FY19

Speaking to the Press at a conference held at Chennai, B Thiagarajan, Joint Managing Director, Blue Star Limited said, "The room air conditioners market in India grew by 10% in the period between January and December 2017, whereas Blue Star registered a growth of

around 15%. There are strong indications of a severe summer and the market is expected to further grow driven by a rise in demand. We have consistently outperformed the market growth rate and year-after-year since 2011, the Company has gained significant market share. Blue Star is now introducing a few innovative models which deliver 30% Extra Cooling Power, faster temperature pull-down and extra energy savings apart from precise temperature setting in steps of 0.1°C and 0.5°C. We are optimistic about the future prospects and once again expect to outperform the market and achieve a market share of 12.5% in FY19.”

Place: Chennai

Date: March 9, 2018.

For additional information, please contact: Girish Hingorani, Head - Corporate Communications, Blue Star Limited. Email: girishhingorani@bluestarindia.com Telephone: +91 22 6668 4000.