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November 10, 2016

The Secretary
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Mumbai 400 001
Fax No.: 22723121
Ref. Company Code: 500067

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
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Bandra (E)
Mumbai 400 051
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Ref. Company Code: BLUESTARCO

SUB: PRESS RELEASE

Dear Sirs,

We enclose herewith copy of the Press Release being released into newspapers, for your information and record purpose, receipt of which may please be acknowledge.

Thanking You.

For **BLUE STAR LIMITED**

VIJAY DEVADIGA
COMPANY SECRETARY
Encl: A/a

PRESS RELEASE

Blue Star's Consolidated Q2FY17 Total Income grows 16% on a comparable basis

Consolidated Financial Performance for Q2FY17

- Due to the merger of Blue Star Infotech Limited (BSIL) and its subsidiary, Blue Star Infotech Business Intelligence & Analytics Private Limited (BSIBIA) with Blue Star Limited as well as the re-organisation of Blue Star Limited and its wholly-owned subsidiaries in FY16, previous year's numbers have been restated wherever required under IND AS and also to give effect to the restructuring. Therefore, the Q2FY17 performance is not directly comparable with the previous year's numbers.
- The Company has reported a Total Operating Income of Rs 897.82 crores for the quarter ended Sep 30, 2016 on a consolidated basis as compared to Rs 776.73 crores in the same period last year (excluding BSIL's Operating Income of Rs 70.36 crores), representing a growth of 16%.
- The Operating Profit (PBIDTA excluding Exceptional Items and Other Non Operating Income) for the quarter was Rs 40.51 crores as compared to Rs 35.34 crores in Q2FY16 (excluding BSIL's PBIDTA of Rs 8.90 crores), a growth of 15%.
- During the quarter, Other Income was 9.84 crores as compared to 4.88 crores in the same period last year mainly on account of interest/dividend income from investments and interest on tax refunds.
- Financial Expenses for the quarter declined by 22% to Rs 8.75 crores from Rs 11.27 crores in Q2FY16, mainly due to reduced cost of borrowings.

- Profit Before Tax (before Exceptional Items) grew from Rs 20.59 crores in Q2FY16 to Rs 26.64 crores during the quarter, representing an increase of 29%. Further, the Q2FY16 figure included Rs 4.81 crores earned by the IT business which was not in existence in Q2FY17 and hence, on a like-to-like basis, the growth in Profit Before Tax (excluding Exceptional Items) was 69%.
- Tax expense for the quarter was Rs 7.34 crores as compared to Rs 1.03 crores in the same period last year.
- There were no exceptional items during the quarter. However, the exceptional items in Q2FY16 related to spend of Rs 15.80 crores towards the cost of a voluntary retirement scheme and other expenses related to the closure of a factory. Consolidated net profit for the current quarter increased to Rs 19.54 crores from Rs 5.26 crores in Q2FY16.
- Earnings per share for the quarter (Face value of Rs 2.00) stood at Rs 2.09 vis-à-vis Rs 0.54 in the corresponding quarter of the previous year.
- Carry Forward Order Book as on Sep 30, 2016 grew by 15% to Rs 1840 crores compared to Rs 1604 crores as at Sep 30, 2015.

Consolidated Segment Performance for Q2FY17

- The Electro-Mechanical Projects and Packaged Air Conditioning Systems business, accounting for 62% of the total revenues in the quarter, increased by 14% to Rs 559.88 crores from Rs 491.55 crores propelled by Government infrastructure-related projects. Segment Results registered a marginal increase of 2% to Rs 30.27 crores. Project execution progress remained slow as customers phase out their requirements based on available capital thereby deferring overall project completion.
- The Unitary Products revenues in the quarter increased by 18% to Rs 291.56 crores, while Segment Results grew 68% to Rs 21.75 crores over the same period. Enhanced product penetration amongst the existing channels, greater demand during the onset of the festive season, enhanced product portfolio and deeper penetration contributed to the growth and profitability in this segment.

- The Professional Electronics and Industrial Systems business revenues increased by 25% to Rs 46.38 crores, while Segment Results registered an increase of 11% to Rs 7.25 crores owing to a few large surveillance projects billed during the quarter.

Unaudited Consolidated Financial Performance for the half-year ended September 30, 2016 (H1FY17)

- For the half-year ended September 30, 2016, the Company reported Total Operating Income of Rs 2114.63 crores, as compared to Rs 1723.75 crores over the same period in the previous year (excluding BSIL's Operating Income of Rs 143.61 crores), a growth of 23%.
- Operating Profit (PBIDTA excluding Other Non Operating Income) increased by 14% to Rs 117 crores from Rs 102.41 crores to (excluding BSIL's PBIDTA of Rs 17.09 crores).

Outlook

The residential and light commercial segments demonstrated healthy growth and are expected to continue the growth trend with enhanced spending by consumers. The electro-mechanical business environment continued to remain sluggish, but is exhibiting positive traction since some categories and segments showed signs of turnaround and improvement. The Company intends to continue to make investments in manufacturing, marketing, brand building, product development as well as human resources in the next few quarters in order to capitalise on the imminent growth opportunities.

Place: Mumbai

Date: November 10, 2016.

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