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August 01, 2016

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

**National Stock Exchange of India Ltd.**  
**Exchange Plaza, 5<sup>th</sup> Floor,**  
**Plot No. C/1, G Block,**  
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**Bandra (E)**  
**Mumbai 400 051**  
**Fax No.: 26598237/38**  
**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 Q1FY17 Total Income grows 29% to  
Rs 1217 crores on a comparable basis**

Blue Star Limited has reported a growth of 29% in Consolidated Total Income and 14% in Profit Before Interest, Depreciation and Tax (excluding Exceptional Items) for the quarter ended June 30, 2016 (excluding Blue Star Infotech Limited's IT business revenue and profits considered in Q1FY16 numbers).

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 Q1FY17 performance is not directly comparable with the previous year's numbers.

**Consolidated Financial Performance for Q1FY17**

- The Company has reported a Total Operating Income of Rs 1216.81 crores for the quarter ended June 30, 2016 on a consolidated basis as compared to Rs 1020.27 crores in the same period last year.
- However, the Total Income of Q1FY16 included the Operating Income of Rs 73.25 crores from the IT Business, which was discontinued last year and therefore not available in Q1FY17. Thus, excluding the IT business, the Total Operating Income grew by 29%.
- The Operating Profit (PBIDT excluding Exceptional Items and Other Non Operating Income) for the quarter was Rs 76.49 crores as compared to Rs. 67.06 crores in Q1FY16 (excluding BSIL's PBIDTA of Rs 8.19 crores), registering a growth of 14%.

- During the quarter, Other Income was 11.15 crores as compared to 5.97 crores in the same period last year mainly on account of interest/dividend income from investments, interest on tax refunds and income from lease rental.
- Financial Expenses for the quarter declined by 10% to Rs 9.23 crores from Rs 10.31 crores in Q1FY16, mainly due to reduced cost of borrowings.
- Profit Before Tax (excluding Exceptional Items) grew from Rs 59.39 crores in Q1FY16 to Rs 64.90 crores during the quarter. However, the Q1FY16 figure included Rs 10 crores earned by the IT business which was not in existence in Q1FY17 and hence, on a like-to-like basis, the growth in Profit Before Tax (excluding Exceptional Items) was 32%.
- Tax expense for the quarter was Rs 14.48 crores as compared to Rs 22.23 crores in the same period last year.
- Exceptional item in Q1FY16 related to recognition of Rs. 35.27 crores surplus on the sale of BSIL's IT business. Accordingly, the consolidated net profit for the current quarter decreased to Rs 51.39 crores from Rs 72.42 crores in Q1FY16.
- Earnings per share for the quarter (Face value of Rs 2.00) stood at Rs 5.39 vis-à-vis Rs 7.60 in the corresponding quarter of the previous year.
- Carry Forward Order Book as on June 30, 2016 grew by 11% to Rs 1776 crores compared to Rs 1598 crores as at June 30, 2015.

### **Consolidated Segment Performance for Q1FY17**

- The Electro-Mechanical Projects and Packaged Air Conditioning Systems business, accounting for 36% of the total revenues in the quarter, increased by 25% to Rs 439.58 crores owing to conversion of higher order book in select segments and increase in billing from new projects, booked over last six months. However, Segment Results registered a decline of 33% to Rs 5.44 crores since the Company has stepped up focus to exercise greater prudence on accruing project level costs and revenues in order to improve the consistency of financial performance reporting for this segment, going forward.

Accordingly, relatively greater conservatism was applied in the current quarter while accruing revenues and costs at a project level.

- The Unitary Products revenues, comprising 61% of the total revenues of the Company in the quarter increased by a healthy 34% to Rs 742.45 crores, while Segment Results grew 31% to Rs 102.44 crores over the same period. The room air conditioner business performed impressively driven by a harsh summer, with the largest range of star-rated inverter split air conditioners. Further, commercial refrigeration products such as water coolers, bottled water dispensers and glass top freezers witnessed significant demand. Enhanced product penetration amongst the existing channels coupled with a comprehensive range and aggressive promotional activities contributed to the growth and profitability in this segment.
- The Professional Electronics and Industrial Systems business revenues dipped by 16% to Rs 34.78 crores, while Segment Results registered a decline of 38% to Rs 4.42 crores owing to sluggish order inflow and general market slowdown.

## **Outlook**

The normal monsoon in most parts of the country is likely to enhance demand for unitary products, especially from Tier 3/4/5 towns. Middle class consumer spends continue to be on the rise and the festive season is anticipated to trigger greater sales of consumer durables. Though the Electro-Mechanical projects business as well as the Professional Electronics & Industrial Systems business remain slow-growing due to lackluster investment, the Unitary Products business is expected to drive overall growth. The addition of new product lines such as water purifiers, air purifiers and air coolers will further help the Company to maintain revenue growth and better results for the rest of the year.

Place: Mumbai

Date: August 1, 2016.

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