

Blue Star Ltd.

Mumbai



PRESS RELEASE

**Blue Star Q2FY16 standalone Total Income grows 12%
to Rs 717 crores**

Standalone Financial Performance for Q2FY16

- Airconditioning and commercial refrigeration major, Blue Star Limited reported Total Operating Income of Rs 716.66 crores for the quarter ended September 30, 2015, as compared to Rs 642.24 crores in Q2FY15, representing an increase of 12%.
- Operating Profit (PBIDT excluding Exceptional Items and Other Non Operating Income) for the quarter was Rs 27.00 crores as compared to Rs 35.50 crores in Q2FY15. The professional electronics and industrial systems business of the Company has been transferred to a separate subsidiary effective April 1, 2015 and hence the figures for the previous year are not comparable. However, there was pressure on gross margins.
- During the quarter, Other Income was Rs 1.97 crores as compared to Rs 2.78 crores during the same period last year.
- Financial Expenses for the quarter declined by 12% to Rs 9.31 crores from Rs 10.57 crores in Q2FY15 owing to a reduction in the cost of funds and flexible management of the borrowing mix.
- There was an exceptional loss of Rs 15.80 crores during the quarter as compared an exceptional loss of Rs 9.51 crores during Q2FY15. The cost of the voluntary retirement scheme as well as other expenses related to the closure of the Company's manufacturing facility in Thane accounted for the exceptional loss in Q2FY16.

- Consequently, there was a Net Loss of Rs 5.79 crores as compared to a Net Profit of Rs 9.05 crores in Q2FY15.
- Carry Forward Order Book as on September 30, 2015 increased by 8% to Rs 1604 crores compared to Rs 1492 crores as at September 30, 2014.

Segment-wise performance for Q2FY16

- The revenues of the Electro Mechanical Projects and Packaged Airconditioning Systems business, increased by 15%, while segment results registered a decline of 9% to Rs 26.27 crores. The decrease in profitability was mainly due to slow pace of billing in certain major projects as well as selective focus on projects with better commercial terms.
- Cooling Products registered a healthy growth of 19%, while segment results were flat at Rs 14.01 crores. The Company significantly increased its distribution network with about 2250 dealers as compared to 1950 dealers during the same period in the previous year which helped in enhancing revenue.
- The Professional Electronics and Industrial Systems business had been transferred to its subsidiary, Blue Star E&E Ltd with effect from April 1, 2015. The segment revenue and results reported in the BSL standalone figures relate to some specific orders that were part of the order pipeline booked in the last financial year and necessitated execution by only Blue Star. The quantum of billing from such orders during the process of transition will reduce progressively.

Unaudited Consolidated Performance for Q2FY16

- The Total Operating Income was Rs 772.98 crores for the quarter ended September 30, 2015, as compared to Rs 669.66 crores over the same period in the previous year, representing an increase of 15%. Net Profit declined to Rs 2.26 crores from Rs 9.21 crores in Q2FY15.

**Standalone Financial Performance for the half-year ended September 30, 2015
(H1FY16)**

- For the half-year ended September 30, 2015, the Company reported Total Operating Income of Rs 1625.24 crores, as compared to Rs 1479.85 crores over the same period in the previous year, a growth of 10%.
- Operating Profit (PBIDT excluding Other Non Operating Income) declined marginally by 3% from Rs 95.66 crores to Rs 92.74 crores.
- Net Profit declined 17% to Rs 33.25 crores from Rs 40.06 crores in H1FY15.

Outlook

The electro mechanical projects business shows a modest revival in order inflow and project execution. The cooling products business continues to perform reasonably well with the residential and light commercial segments contributing significantly to growth in this business. The business outlook for the remainder of the year is likely to keep improving.

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