



Blue Star Limited
Band Box House, 4th Floor,
254 D, Dr Annie Besant Road,
Worli, Mumbai 400 030, India.
T : +91 22 6654 4000
F : +91 22 6654 4001
www.bluestarindia.com

October 31, 2017

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

Sub: Press Release on Unaudited Standalone and Consolidated Financial Results for the second quarter and half year ended September 30, 2017 alongwith Limited Review Report

Dear Sir,

Please find enclosed herewith a copy of the Press Release.

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's comparable consolidated H1FY18 Total Income grows 11% to Rs 2207 crores

Prior to GST going live on July 1, 2017, revenue for previous periods included excise duty and other applicable input taxes. Comparable revenue growth has been computed for Q2FY18 and H1FY18 by adjusting excise duty and other applicable input taxes from the revenue of respective previous periods, on a like-to-like basis.

Comparable Consolidated Financial Performance for the quarter ended September 30, 2017 (Q2FY18)

- The Company has reported a Total Income of Rs 840.22 crores for the quarter ended September 30, 2017 on a consolidated basis as compared to Rs 858.01 crores during the same period in the previous year, representing a decline of 2%.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 45.91 crores as compared to Rs 40.19 crores in Q2FY17, a growth of 14%.
- Other Income (including finance income) for Q2FY18 was Rs 4.51 crores as compared to Rs 10.17 crores in Q2FY17. The decrease was mainly due to receipt of higher interest on income tax refunds and income earned on temporary investments from proceeds of sale of the IT business, during the previous year.
- Financial Expenses for the quarter declined by 33% to Rs 5.87 crores from Rs 8.75 crores in Q2FY17, due to reduced cost of borrowings and reduction in the level of borrowed funds.
- Tax expense for the quarter was Rs 8.42 crores as compared to Rs 7.34 crores during the same period last year.
- Net Profit for the quarter was about the same at Rs 20.78 crores as compared to Rs 19.99 crores in Q2FY17.

- Earnings per share for the quarter (Face value of Rs 2.00) stood at Rs 2.13 vis-à-vis Rs 2.09 in the same period of the previous year.
- Carry Forward Order Book as on September 30, 2017 grew by 15% to Rs 2120 crores compared to Rs 1840 crores as at September 30, 2016.

Comparable Consolidated Segment Performance for the quarter ended September 30, 2017 (Q2FY18)

- Revenue of the Electro-Mechanical Projects and Packaged Air Conditioning Systems business declined by 7% to Rs 501.82 crores from Rs 538.67 crores, while Segment Results grew 34% to Rs 38.30 crores as compared to Rs 28.56 crores during the same period in the previous year. The pace of billings in Q2FY18 was sluggish on account of slow traction of renegotiation and revision across several contracts with each customer, on account of introduction of GST. The significant enhancement in margins was largely due to accelerated execution of order book in select sub segments and overall margin profile of certain key jobs.
- The Unitary Products revenues during the quarter increased marginally to Rs 294.38 crores from Rs 262.83 crores in Q2FY17, a growth of 12%. Market growth rate of the room air conditioners industry remained stagnant over last year since sales began slowing down from Q1FY18 itself as distributors stocked less owing to GST migration. The revival and pick up of sales momentum did not happen in Q2FY18, and sales growth remained relatively sluggish. Segment Results at Rs 15.66 crores declined by 21% as compared to Rs 19.79 crores in Q2FY17, mainly owing to marketing investments made in the newly-launched water purifier business.
- The Professional Electronics and Industrial Systems business revenues declined by 15% from Rs 46.38 crores in Q2FY17 to Rs 39.51 crores, while Segment Results registered a decline at Rs 2.85 crores as compared to Rs 8.08 crores during the same period last year. Decrease in demand coupled with sluggish market conditions adversely impacted the performance of this segment during the quarter.

Comparable Consolidated Financial Performance for the half-year ended September 30, 2017 (H1FY18)

- For the half-year ended September 30, 2017, the Company reported Total Income of Rs 2207.41 crores as compared to Rs 1993.31 crores over the same period in the previous year, representing a growth of 11%.
- Operating Profit (PBIDTA excluding Other Income and Finance Income) increased by 12% to Rs 131.23 crores from Rs 116.67 crores during the same period last year.
- Net Profit for the half-year increased by 11% to Rs 79.24 crores as compared to Rs 71.38 crores in H1FY17.

Outlook

Suneel M Advani, Chairman of the Board, Blue Star Limited adds, "The electro-mechanical projects business has shown modest signs of improvement in some markets and application segments, though the overall market is yet to pick up. While the room air conditioners business continues to drive the unitary products segment, we are making planned investments in consumer business lines such as water purifiers, air purifiers and air coolers, which will help to drive growth in the future. While the GST roll out on July 1, 2017 has adversely impacted some of the businesses during the first half of the year, we expect to sustain our growth momentum for the remainder of the year."

Place: Mumbai

Date: October 31, 2017

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