Talwalkars Better Value Fitness Ltd.
Regd. Off.: 801/813, Mahalaxmi Chambers, 22, Bhulabhai Desai Road, Mumbai 400 026.
Tel.: 6612 6300. Fax: 6612 6363. Website: www.talwalkars.net CIN: L92411MH2003PLC140134

Talwalkars™
Spreading fitness since 1932

Date: 23rd October, 2015

To,
The Manager
Listing Department / Compliance Department,
National Stock Exchange of India Limited
Exchange Plaza,Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

To
Mr. Wilbur Fernandes / Mr. Troydon Bird,
The Manager
BSE Limited
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Dear Sirs,

Re:**Talwalkars Better Value Fitness Ltd.; Scrip Name: TALWALKARS; Scrip Code: 533200.**
Sub: **Intimation of the strategic partnership with Power World Gyms Limited, Srilanka.**

Pursuant to Clause 36 and other applicable clauses of the Listing Agreement, we are glad to inform the Exchange that Talwalkars Better Value Fitness Ltd. (TBVF), one of India's largest fitness chains has entered into a strategic partnership with Power World Gyms Limited (PWG), a leading health and fitness chain based in Colombo, Sri Lanka.

PWG is the biggest health and fitness player in Sri Lanka providing Gym facilities to its members and has deep knowledge on the local market conditions.

The partnership with PWG would enable TBVF to enter the rapidly growing post war market of Sri Lanka.

Kindly take the same on records and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
For **Talwalkars Better Value Fitness Limited**

Avanti Sankav
Company Secretary

TALWALKARS BETTER VALUE FITNESS LTD. ★ MUMBAI



Talwalkars Better Value Fitness Limited

Corporate Announcement

The Transaction

- **Talwalkars Better Value Fitness Limited (TBVF)** a leading chain of health and fitness centers in India has entered into a strategic partnership with **Power World Gyms Limited (PWG),** a leading health and fitness chain based in Colombo, Sri Lanka.

- TBVF has acquired 49.5% of the total share capital of PWG in an all cash deal.

- The partnership with PWG would enable TBVF to enter the rapidly growing post war market of Sri Lanka. PWG is the biggest health and fitness player in Sri Lanka providing Gym facilities to its members and has deep knowledge on the local market conditions.

- The partnership combines PWG's industry and market knowledge with TBVF's expertise on managing health and fitness centers. This transaction marks the maiden global acquisition of TBVF through this acquisition in Sri Lanka

Talwalkars
Spreading fitness in over 70 cities

POWER WORLD
FITNESS CENTRES

Power World Gyms Limited (PWG)

Power World Gyms Limited (PWG) operates and manages the largest chain of gyms in Sri Lanka under the brand name "Power World“.

Various fitness and healthcare services are being provided to its members under the brand “Power World” for over 21 years in Sri Lanka.

PWG has an existing network of 7 gyms in and around Colombo. PWG also manages 3 in-house gyms for leading Sri Lankan corporations.

PWG has designed a gym operating model wherein the target market (Medium Income Group) has been identified and services are customised to the customer requirements.

PWG is managed by Mr. Talavou Alailima, a South Asian Games Medallist and Sri Lankan record holder for Short Put and Discus, has extensive experience (over 20 years) in health, fitness, nutrition and operating gyms.

PWG currently servicing over 8,100 members through a network of 7 gyms.

About Sri Lanka

Full name:	Democratic Socialist Republic of Sri Lanka
Population:	21.2 million (UN, 2012)
Median age	31.1 years (2012 estimate)
Capital and Largest City	Colombo
Urban population:	14% of total population (210)
Rate of urbanisation:	1.1% increase (2010-15 est.)
Area:	65,610 sq km (25,332 sq miles)
Major languages:	Sinhala, Tamil, English
Literacy percentage:	91.2%
Major religions:	Buddhism, Hinduism, Islam, Christianity
Life expectancy:	72 years (men), 78 years (women) (UN)
Main exports:	Clothing and textiles, tea, gems, rubber

Age structure	
0–14 years	25.2% (2012 census)
15–64 years	66.9% (2012 census)
65 and over	7.9% (2012 census)



High GDP and Per capita Growth for the given size of the population



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Sri Lankan Fitness and Slimming Industry: Overview

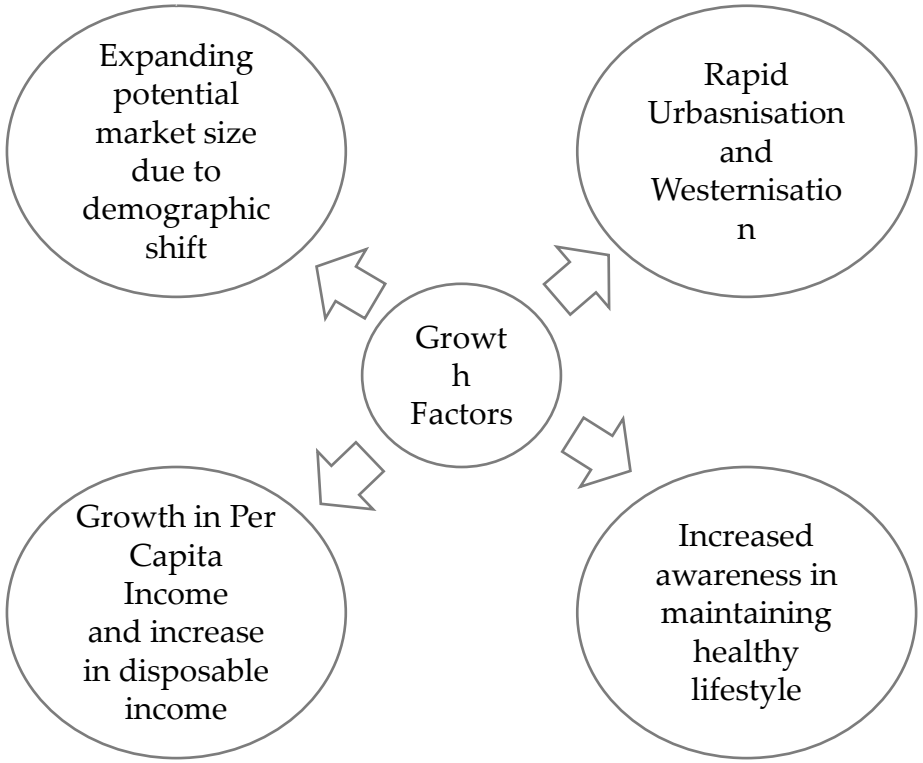
Highly fragmented market with only few organised service providers catering to estimated 1,00,000 members in Sri Lanka.

Market penetration as low as 0.5% vis'-a-vis' 16.6% in USA entailing a wide scope for rapid growth.

Past trend suggest direct relationship between Per Capita Income and higher market penetration.
India – US$ 1,498 – 0.2%
Sri Lanka – US$ 3,280 – 0.5%
Hong Kong – US$38,123 – 13%
USA – US$ 53,041 – 16.6%

30% of the total population is aged between 18 and 39 which forms the target market.

WHO reports 25% of adult population (5 Million) in Sri Lanka are overweight or obese.



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Transaction Rationale

TBVF to PWG

Overseas Expansion.

Best industry practices in managing and operating gym facilities.

Better operating procedures and internal controls.

Growth Fund Capital.



PWG to TBVF

Access to rapidly growing health and fitness market in Sri Lanka.

Largest gym chain in Sri Lanka.

Over 20 years of experience in local market.

Access to readily available Gym facilities.

Access to trained manpower with in-house certification program.

Thank You

Talwalkars