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: 30th May, 2017

To,
National Stock Exchange of India Ltd.
Exchange Plaza,Plot No. C/1, G Block, BKC,
Bandra (East), Mumbai - 400051.

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Dear Sir,

Re: **Talwalkars Better Value Fitness Ltd.; Scrip Symbol: TALWALKARS; Scrip Code: 533200**
Sub: **Furnishing Updates on the Financial Results for the quarter ended 31st March, 2017**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 31st March, 2017.

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

Thanking You.

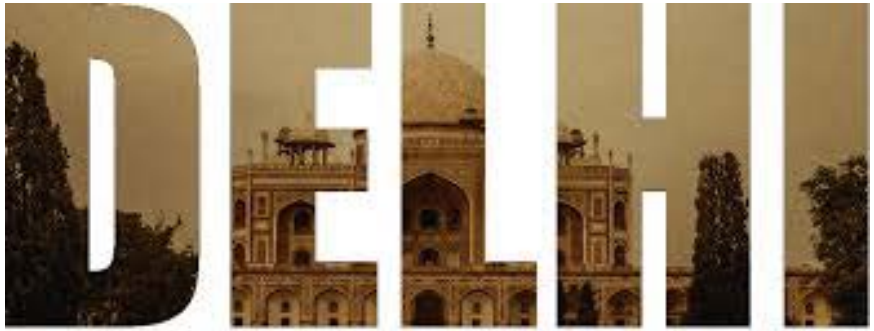
Yours faithfully,
For **Talwalkars Better Value Fitness Ltd.**

Avanti Sankav
Company Secretary & Compliance Officer

TALWALKARS BETTER VALUE FITNESS LIMITED



Chalo



QUARTERLY UPDATE (Q4FY 2016-17)

30th May,2017

DISCUSSION POINTS



Our Footprint



Reorganisation Update



Key developments in Gym Segment



Key developments in Lifestyle Segment



Result Update



Going Forward



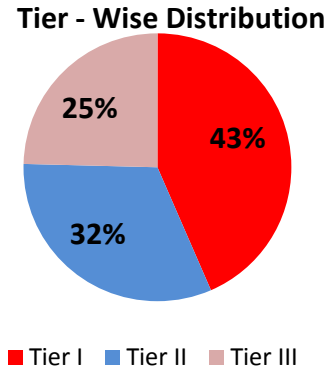
Key Marketing Highlights

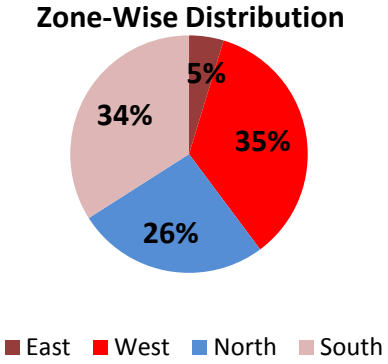
About Us

OUR FOOT PRINT

Fitness Centers as on 31st March, 2017

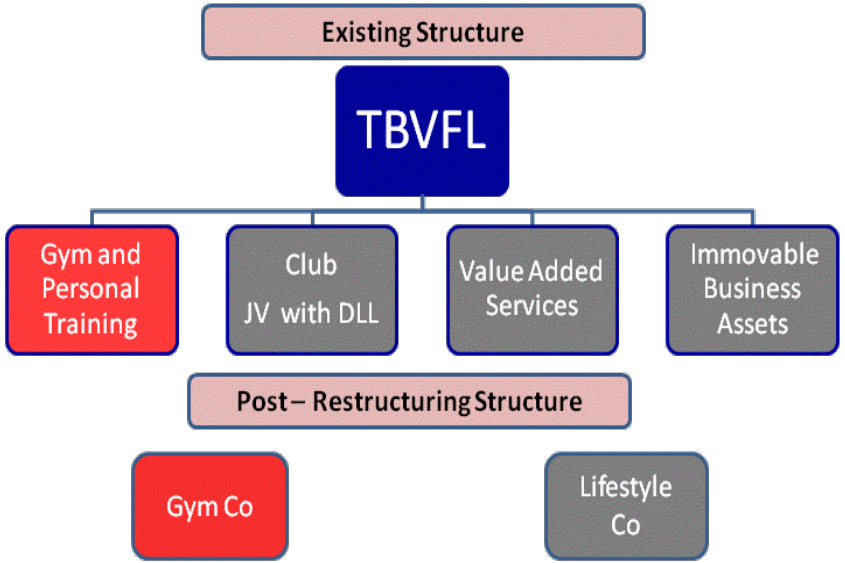
Format	#
Owned	
Talwalkars	103
Power World Gym	30
Subsidiaries/ Associates	
Talwalkars	9
Zorba Studios	5
PWG SriLanka	20
Franchise	
Talwalkars	18
HiFi	26
TOTAL	**211**



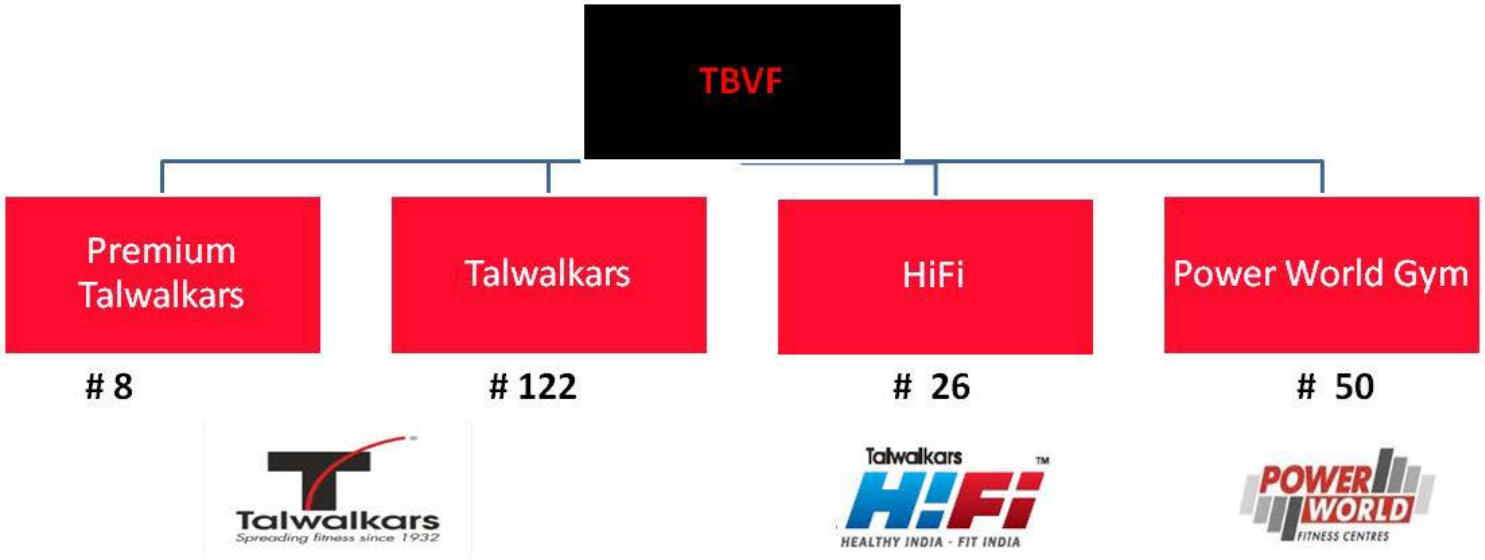


SPLIT - A HEALTHY WAY FORWARD

- The NCLT convened the meeting of the Shareholders of the Company for approval of the Scheme of Arrangement on 27th April,2017.
- The Shareholders approved the scheme with the requisite majority.
- Now the final approval by the NCLT is awaited.
- Post the NCLT approval, **the Company expects the process will get completed in a short period of time.**



TALWALKAR BETTER VALUE FITNESS LIMITED- GYM CO.



No of Centres

KEY DEVELOPMENTS IN GYM SEGMENT

- The Company has **remodeled** its existing Talwalkar's gym format and reworked the Capex making **the model more profitable and cost effective**.

- The company during the year entered into a MOU for operating and owning 7 gyms owned by subsidiaries.

- The Company took a major step towards consolidating operations and saving costs by transferring one of the gyms in Kolkata, which is a part of subsidiary (33.33% of Company share) to a franchisee.

- HiFi was opened in 3 centres during the year at Mansarovar (Jaipur), Raichur (Karnataka) and Nirman Nagar (Jaipur).

- As on 31st March,2017 , the Company has 26 HiFi having presence in small towns like Ichalkaranji, Bhimavaram, Pallakad, Beed Korattur etc.

- Talwalkars has been ranked amidst **Top 100 Franchise opportunities** for the year 2016 in its annual survey by franchising World Magazine.

KEY DEVELOPMENTS IN GYM SEGMENT

POWER WORLD FITNESS CENTRES In NEW DELHI TRUE INDIA INSIDE & BENGALURU

Over 10000 members

- The Company has **soft launched 10 owned gyms in Delhi** in March-2017 making Talwalkars one of the top player in the Capital city.
- The Company during the year embarked to capture the ever evolving **Bengaluru market with 20 gyms on a single day in a single city –** A FIRST FOR ANY COMPANY

Tectonic shift from the Company's existing model

- The average capex for a Power World gym is **~Rs.2.3 crores** , which is significantly lower than the Company's earlier capex per gym .
- The Company successfully managed to acquire properties at **rentals of Rs 18-25 per sqft,** significantly bringing down its opex cost.

The Company's strategy to rollout this model which is lower in capital expenditure and commensurately lower in operational expenditure will have salutary impact on return ratios.

KEY DEVELOPMENTS IN GYM SEGMENT



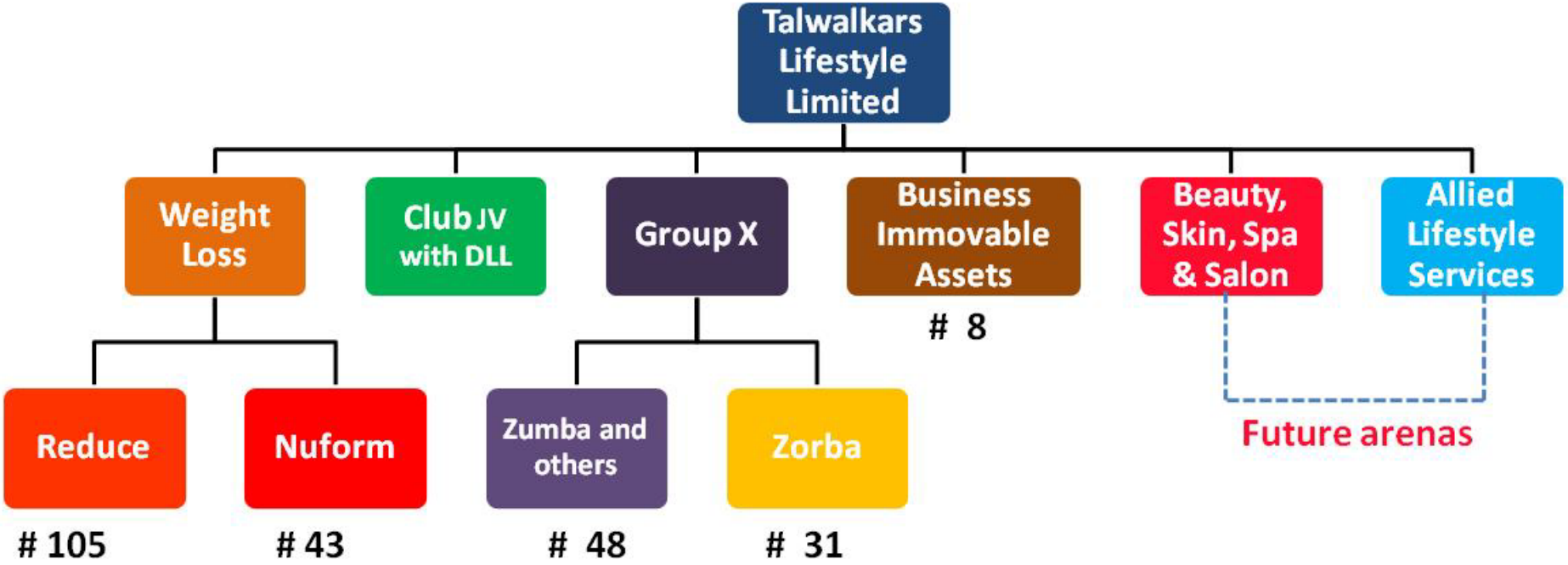
- The Company has Signed an **MoU**, subject to due diligence to invest in equity shares of **Force Fitness India Private Limited (FFIPL).**
- **FFIPL** is India's third largest gym company and the exclusive master franchisee in India of the international fitness chain "Snap Fitness Inc."
- **FFIPL** is predominantly a franchise concept which is cash positive, service oriented, highly scalable and profitable model.

This investment will propel Talwalkars towards consolidation of the fragmented fitness industry in India .

GROWFITTER – online portal

- Growfitter.com is India's largest health & fitness discovery portal claims to list 10000+ fitness centre Pan India across 14 cities . https://www.growfitter.com
- During the year it provided 500+ Free Trails to Talwalkars on a monthly basis and converted ~ 20-25% into membership by offering best deals online.
- Growfitter has integrated its Application Program Interface with Talwalkars online which has given access to consumers to purchase and get complete information of Talwalkar centres PAN India

TALWALKARS LIFESTYLE LIMITED



 # No of Centres

KEY DEVELOPMENTS IN LIFESTYLE SEGMENT

Talwalkars
Spreading fitness since 1932

Reduce
Home based *weight loss* program







The Company during the year premiumised its Reduce Products to differentiate its brand and to add fresh energy .

The members have appreciated the new look of the Reduce .

The new packaging has helped to garner new membership increasing its contribution to the revenue.



KEY DEVELOPMENTS IN LIFESTYLE SEGMENT

zorba™
A RENAISSANCE STUDIO

- The company now has **31 Zorba centres PAN India**.
- **10 new centres** were opened in this quarter .
- Various initiatives and workshops in and around yoga were conducted throughout the year to make **yoga a way of people life.**



India largest and happiest Yoga Chain



Insight Yoga

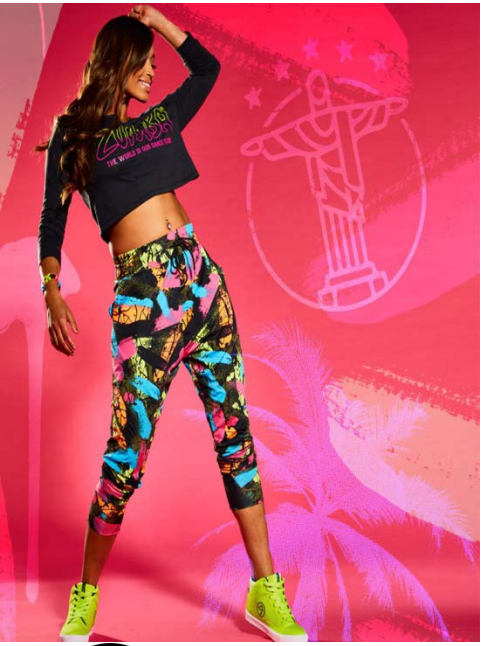


Balloon Yoga
Valentine Day



Stiletto Yoga
Women's Day Special

KEY DEVELOPMENTS IN LIFESTYLE SEGMENT



ZUMBA® ZUMBA® WEAR

- The Company is announced **its tie-up with Zumba Fitness**, USA for the sale of merchandise in India.
- TBVF is the **sole distributor** for the Zumba merchandise in India.
- The Company developed and launched a website for the Zumba merchandise **www.zumbashop.in**
- These merchandise are bought by the instructors and members of Zumba classes.
- The team is also closely working with the Zumba instructor community in India to create awareness about the availability of these products , **thus reducing the marketing cost.**

KEY DEVELOPMENTS IN LIFESTYLE SEGMENT

Talwalkars Club

The Company has complied with various statutory compliances and procedures for the Club Project.

The Company expects to rollout its initial membership plan on a soft opening basis fairly soon and commence construction at a fast pace.

The Company further reiterates that the Company's contribution to this venture will be limited to Rs.50 crores.

Property

The Company owns 8 properties whose Market Value is approx Rs. 120 crores.

Nuform

Nuform is comparatively higher on Capex compared to the other value added services and a premium product .

The Company is strategically placing Nuform in the centres where the return on capital employed will be higher .

RESULT UPDATE

Consolidated Results

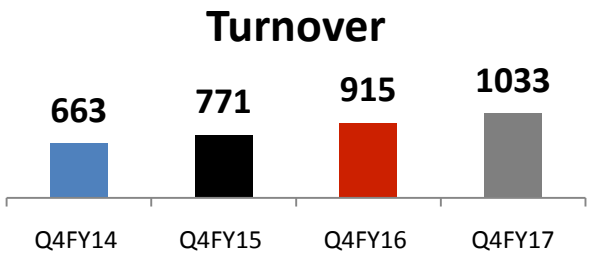
₹ *In mn*

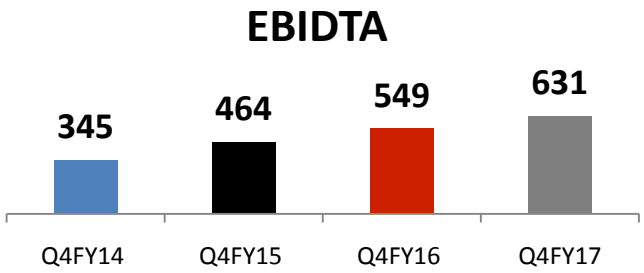
Particulars	Quarter ended 31.03.2017 (Audited)	Quarter ended 31.03.2016 (Audited)	▲	Year ended 31.3.2017 (Audited)	Year ended 31.3.2016 (Audited)	▲
Revenues	**1033**	**915**	**13%**	**3280**	**2930**	**12%**
EBITDA	**631**	**549**	**15%**	**1716**	**1502**	**14%**
PAT*	**246**	**202**	**22%**	**656**	**550**	**19%**

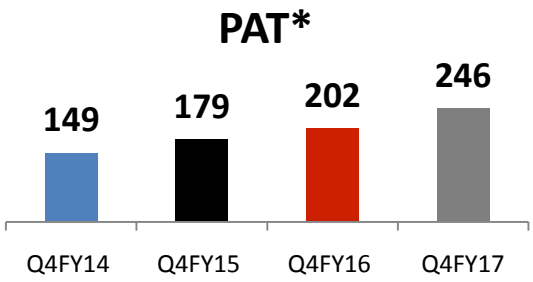
** PAT after Minority Interest and Share of Profits of Associates*

FINANCIAL SUMMARY

Rs. In mn



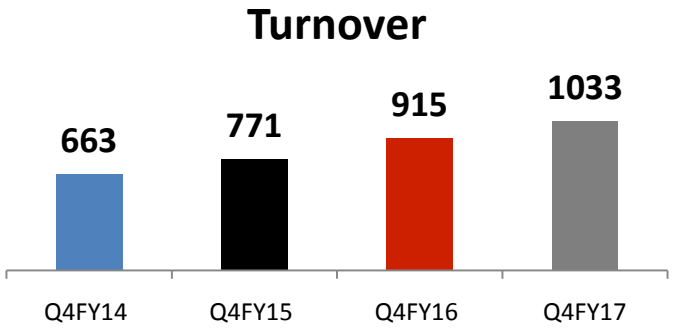


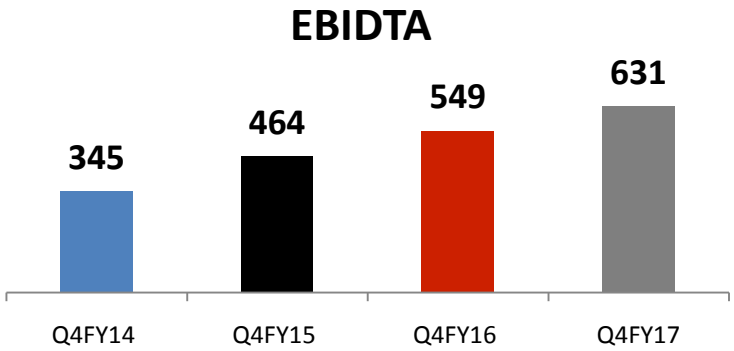


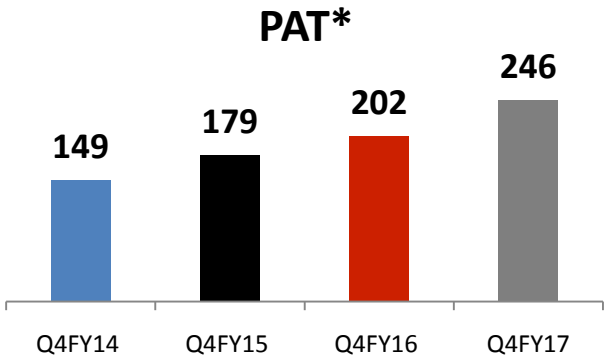
** PAT after Share of Associates and Minority Interest*

FINANCIAL SUMMARY

Rs. In mn







** PAT after Share of Associates and Minority Interest*

CONSOLIDATED INCOME STATEMENT

	Year ended					
Particulars (₹ mn)	**Mar-17**	**Mar-16**	**YoY%**	**Mar-17**	**Mar-16**	**YoY%**
Income from Operations	1,049	897	**17%**	3274	2862	**14%**
Other Operating Income	(16)	18		5	68	
Total	**1,033**	**915**	**13%**	**3,280**	**2,930**	**12%**
Expenditure						
Personal Cost	95	79	21%	430	394	9%
Admin & Other Exp	173	172	1%	719	686	5%
Service Tax Collected & Paid	134	115	16%	414	349	19%
Total	**402**	**366**	10%	**1,563**	**1,428**	9%
EBITDA	**631**	**549**	**15%**	**1,716**	**1,502**	**14%**
Depreciation	146	131	12%	486	470	3%
EBIT	485	418	16%	1,231	1,032	19%
Interest	46	54	-15%	194	177	10%
EBT before exceptional Items	439	364	21%	1,037	855	21%
Exceptional Items	(4)	(0)		(4)	(0)	
PBT	**435**	**364**	20%	**1,033**	**855**	21%
Tax	193	191	1%	364	302	21%
PAT before Minority Interest	242	173	40%	669	553	21%
Share of Associates	9			14		
Minority Interest	5	(29)	-116%	27	3	
PAT after Minority Interest	**246**	**202**	**22%**	**656**	**550**	**19%**

Robust income growth for the year, EBIDTA margins increased to 60% from 57%.

Operating cost as a % of revenue has been reduced by 300 bps

PAT margin for the yr is at **23%**

EPS for year ended stood at **₹22.09** vs. **₹19.03** previous year

CONSOLIDATED BALANCE SHEET

Particulars (Mn)	Year Ended	
	Mar-17	Mar-16
EQUITY AND LIABILITIES		
Shareholders' Funds	4925	4271
Minority Interest	164	138
Long Term Borrowings	4015	3073
Other Non-current Liabilities	310	277p
Current Liabilities	908	1048
Total Equity & Liabilities	**10323**	**8807**
ASSETS		
Fixed Assets	6160	5645
Non-current investment	613	99
Long-term loans and advance	993	828
Other non-current Assets	152	2
Total Non-current Assets	**7917**	**6574**
Current Investments	0	0
Inventories	3	0
Trade Receivable	298	317
Cash & Bank Balance	1337	1408
Short-term loans and advances	612	433
Other Current Assets	156	75
Total Current Assets	**2405**	**2233**
Total Assets	**10323**	**8807**

FINANCIAL ANALYSIS

Cash Profit

The Company generated **positive free cash flows** after capex for the second year in a row

Particulars	(₹ in mn)
PAT	656
Add : Depreciation	486
Cash Profit	1142
Less : Capex incurred	**905**
Cash Surplus	**237**

The Company is continuously working towards keeping the capex within the cash profit limits, thus indicating its intention of strengthening the Company's financial health .

FINANCIAL ANALYSIS

Long Term Borrowings

- The Company during the year shifted its banking from SBI to Axis Bank and procured additional sanction for 100 crores for expansions of gyms.

- It is noteworthy to mention that the Company in this process has **reduced the ROI from 13% to 9.45%** over last 4 years . Further by Nov-2017, the interest rate will be reduced to 8.65% as per the current MCLR rates.

- The Term Loan increased by Rs.709.44 mn .This majorly includes an amount of Rs.500 mn drawn in the month of March of which Rs.330 mn was drawn on the 31st March,2017. **Thus the blended borrowing of the Company was significantly lower than the closing balance for the year.**



The Company on the back of its strong financials and ratings has managed to raise funds but is also cautiously working towards keeping its finance cost at lower levels .

FINANCIAL ANALYSIS

Streamlining Debt

- The Company has taken a conscious decision to **reduce debt in next 2-3 years.**
- The Company has given a definitive mandate letter to one of the investment banking company to **unlock the value of properties** of Market Value Rs. 1200 mn.
- The Company expects to repay debt of Rs.1000-1250 mn in next couple of yrs. This should **help improve the strong rating of the Company from the existing AA from Care & Brickworks and AA- from ICRA.**
- This will help the company to **reduce its borrowing cost and strengthen the Company's Financials.**

Finance Cost and its Capitalization

Particulars	Rs (mn)
Finance Cost	385
Less : Treasury Income	108
Less: Interest Capitalized	82
Interest as per P & L	**194**

During the year the Company opened

- **30 owned Power World Gyms**
- **28 Zorba studios.**

Till the date of opening of these gyms, interest on the Funds borrowed for the same is appropriately capitalized.

A part of the Capitalization also is on account of the Club.

FINANCIAL ANALYSIS

- **Tangible Assets :** The Company has during the year deployed capex of ~₹ 905 mn in the following manner :

Particulars	(₹ in mn)
Gym Additions	756
Zorba outlets	28
Renovation& Upgradation of Existing Gyms	121
Total	905

Useful Life of the Assets : The Assets are depreciated based on their useful life.

Assets	Useful Life (yrs)
Computers	3-6
Plant & Machinery	10-15
Furniture & Fixtures (including Leasehold Improvements)	6-10
Vehicle	6-8
Office Equipments	4-7
Trademark, Copyrights and business and commercial rights and other intangibles.	7-10

GOING FORWARD

- **Reorganisation :** The Company strongly believes the process of demerger and listing of shares will be accomplished in shortest time .

- **Talwalkars & PWG :** The Company expects to drive both its model - revamped Talwalkars model and the PWG model across the major cites.
- In addition to these models being **low in capex and opex** , the consolidation of gyms and Market leader position enables the Company to **establish the price points** and thus garner higher revenues making these models comparative highly EBITDA accretive.
  The Company endeavours to be a top player in Delhi , a city where it had almost no presence .

- **HiFi Gyms :** HiFi Gyms are paving its own growth with over 20 franchise agreements already in pipeline. 5 gyms are slated to open in the coming quarters.

- The Company will initiate the process of **integration of the Snap Fitness Centres with its own** centres once the due- diligence process is over.

GOING FORWARD

- **The Lifestyle Segment is geared to take advantage of the burgeoning Wellness Sector.**

- **Reduce : The New Look of Reduce has got a good response from the members . Further this packaging is comparatively lower in cost.** Increased presence on online and offline augmented increase in the database of the members resulting increase in % of contribution to revenue.

- **Zorba :** Zorba is the India's largest yoga chain imparting exclusive classes of different forms of yoga. Because of its exclusivity, Zorba is priced higher compared to other free floor activities. **Zorba is expected to open 50 centres in coming 15-18 months .**

- **Zumba Merchandise** is a high margin business with minimal capex. With increased craze for these merchandise ,it will be a strong stream of revenue in the lifestyle segment.

- **Club** The Company expects to do a soft opening for its membership plans and commence the Club construction shortly.

- **Properties** The Company has given a definitive mandate to unlock the value of the properties to reduce the debt in the lifestyle segment .

KEY MARKETING HIGHLIGHTS

January New Year Campaign

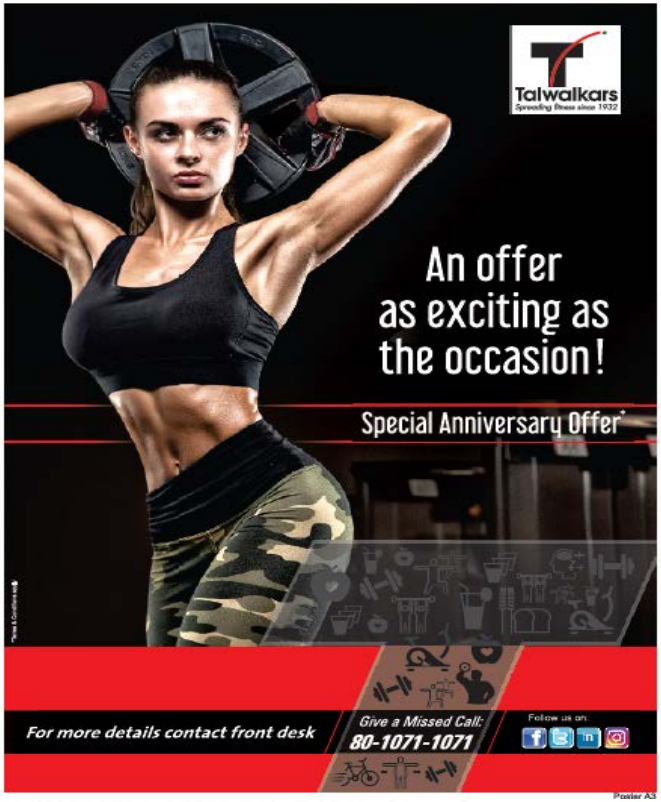




Women's Day



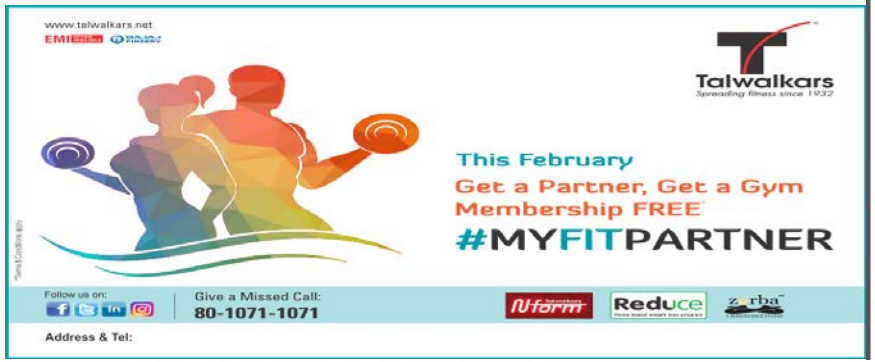
Special Anniversary Offer



Republic Day offer



February Creative



TESTIMONIALS

#ClientDiaries

"I am Nikita Pahwa, and I lost 5.2 Kg in 30 days. The story behind my weight loss journey is not so big and impressive but definitely involves hard work and passion to reduce my weight. The success of any individual is not only the success of that individual but also of the people working back stage and this definitely includes the bond between the 'Guru' and the 'Shishya'. I would like to thank my Guru, Gurmukh Sir for always being a support system to me and g... See more



RAHUL KURUP, TRIVANDRUM



Life gifts everyone with a chance, mine was this. From 110 kgs to 80 kgs in 4 months. Thank You Talwalkars for inspiring me.

P.S. Never stop trying until you reach the goal which is set in your mind.

Read More

Branch: *Kuravankonam, Trivandrum*

GEETIKA MISHRA, DEHRADUN



I never thought of losing weight but after joining Talwalkars , my dreams of achieving a fit body came true and I lost 18 Kg in 6 months.

I thank Talwalkars and my personal trainer Maninder Singh for the guidance and support

Read More

Branch: *6 Cross Road, Dehradun*

ABOUT US

- Largest fitness chain in India’s and Srilanka
- 211 centres across South Asia.
- World-class gymming experience backed by professional trainers.
- Diverse fitness services including standard gymming and fitness, Zumba Merchandise and Zumba® (aerobics and Latin dance-inspired fitness programme), Transform (holistic fitness programme), Reduce (diet-based, easy diet programme), NuForm (time-efficient weight loss programme), Zorba (yoga), spa, massage and aerobics.
- Six fitness centre formats of Talwalkars Premium, Talwalkars, Snap Fitness, PWG, HiFi and Zorba studios.

DISCLAIMER

Talwalkars Better Fitness Value Ltd.

The views expressed here may contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of this information.

Any forward-looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by Talwalkars Better Value Fitness Limited.

This presentation may contain 'forward-looking statements' - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will.' Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

For us, uncertainties arise from the behavior of financial markets and change in consumption patterns; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of an environmental, climatic, natural, political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements.

We do not undertake to update our forward-looking statements.

Talwalkars
Spreading fitness in over 70 cities

Girish Nayak
Chief Financial Officer
Tel: +91 22 66126300
Email: girishn@talwalkars.net

Grishma Shetty
AVP – Investor Relations
Tel: +912266126344 | +919820202399
Email: grishmas@talwalkars.net

Thank You



Centrum Broking Limited

Cordially invites you to a

Conference Call

With the management of

Talwalkars Better Value Fitness Limited

Agenda: Discussion on Q4FY17 Results & Future Outlook

Company Management	
Mr. Girish Talwalkar Executive Chairman	**Mr. Anant Gawande** Executive Director
Mr. Girish Nayak Chief Financial Officer	**Mr. Aditya Dhillon** Head - Operations

Conference Dial-In Numbers	
Primary Number:	+91 22 3960 0607
Secondary Number:	+91 22 3940 3977
International Toll Free Numbers:	USA : 1 866 746 2133 UK : 0 808 101 1573 Singapore : 800 101 2045 Hong Kong : 800 964 448
Date:	Wednesday, 31 May 2017
Time:	12:00 noon IST

RSVP:

Mr. Ankit Kedia
Centrum Broking Limited
Land line: +91 22 4215 9634
Mob: +91 9773030562
E-mail: ankit.kedia@centrum.co.in