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: 10th November, 2016

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

To,
National Stock Exchange of India Ltd.
Exchange Plaza,Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir,

Re: **Talwalkars Better Value Fitness Limited; Scrip Name: TALWALKARS; Scrip Code : 533200**
Sub: **Furnishing Updates on the Financial Results for quarter ended 30th September, 2016**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 30th September, 2016.

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

Thanking You.

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

TALWALKARS BETTER VALUE FITNESS LTD. ★ MUMBAI

Avanti Sankav
Company Secretary & Compliance Officer

Encl: As Above



Talwalkars
Spreading fitness in over 70 cities

TALWALKARS BETTER VALUE FITNESS LIMITED

Quarterly Update

(Q2 FY 2016-17)-10th Nov,2016

DISCUSSION POINTS

1	Game Changer – Bengaluru Move
2	Geographical Presence
3	Key Operational Highlights
4	Demerger Proposal
5	Key Marketing Highlights
6	Results Update
7	Going Forward
8	About Talwalkars

TURNING POINT IN BANGALORE

- In an ***UNPRECEDENTED*** and one of its kind strategic move, **Talwalkars has embarked to capture the ever evolving Bengaluru market.**
- It announced the **opening of 20 Owned Gyms across the length and breadth of Bengaluru** on 8th November 2016 under their Power World Gym (PWG) brand.
- This move is a ***GAME CHANGER***, as no other Company has taken such bold yet calculated step to open 20 gyms on a single day in a single city.
- Talwalkars has moved up its ranking to **leadership position in Bengaluru.**
- With **25 gyms across Bengaluru**, Talwalkars is among the strongest and largest fitness players in India catering across all target audiences who have the benefit of availing services anywhere in the city.

Post – Announcement	Number of Gyms
Competitor 1	27
Talwalkars	**25**
Competitor 2	10

Pre - Announcement	Number of Gyms
Competitor 1	28
Competitor 2	11
Talwalkars	**5**

No. 2 in Bengaluru

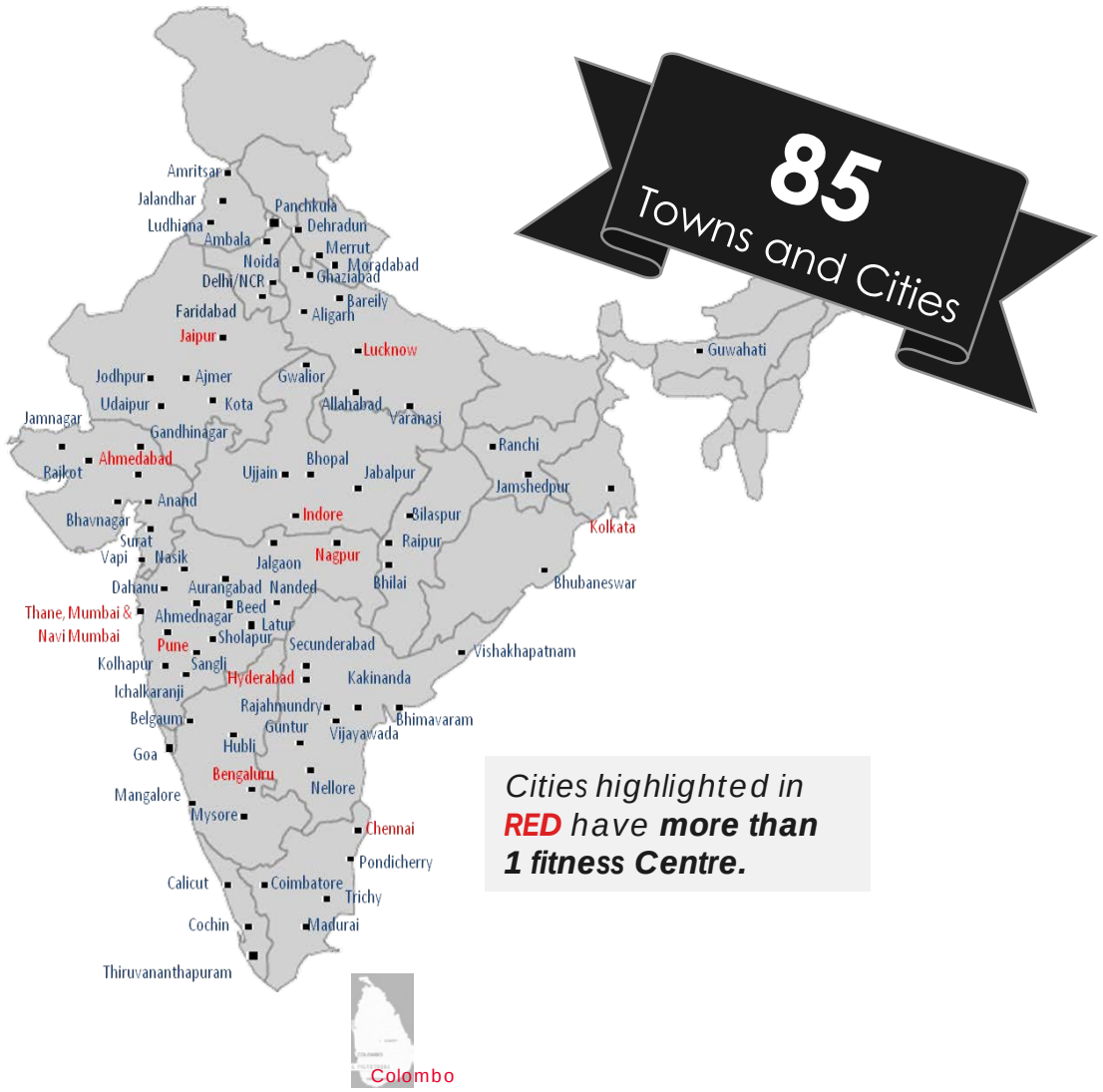
TECTONIC SHIFT

- The Company has rolled out a model which is apt for targeting the top cities in India, a tectonic shift from its existing model.
- **PWG model in India is a right mix of low Capex and Opex, which in turn will enable the company to garner higher return ratios.**
- After intense research and brainstorming the company has executed this model.
- The strategic decision to launch PWG gyms in Bengaluru was to leverage on the low capex and opex model of the PWG formats but cater largely to a similar audience, and thereby **enhance return ratios.**
- The company plans to similarly **target the top 12 cities** of India and achieve a leading position in the fitness and wellness industry with this format of gyms as they are **ideal for significant expansion in India.**

- PWG gyms are fully equipped with imported equipments and modern techniques. It will introduce circuit training programmes which help in rapid weight loss in an economical and sustainable way
- These gyms have been strategically positioned between the Talwalkars Gym format which caters upper middle class in the affluent areas and the HIFI Gym format which caters to Tier 3, Tier 4 town and congested pockets in Metros and Tier 1.
- PWG will cater to audience in the peripheral areas of the Metros and the other top12 cities .

INDIA	Talwalkars	PWG India	HiFi
Typical Area (Sq.ft.)	5,000- 6,000	4,000- 5,000	2,500- 2,800
Capex	3.5-3.75	1.75 – 2.25 crs	Nil
~Capacity of Members	1100 – 1350	900 – 1000	550- 650

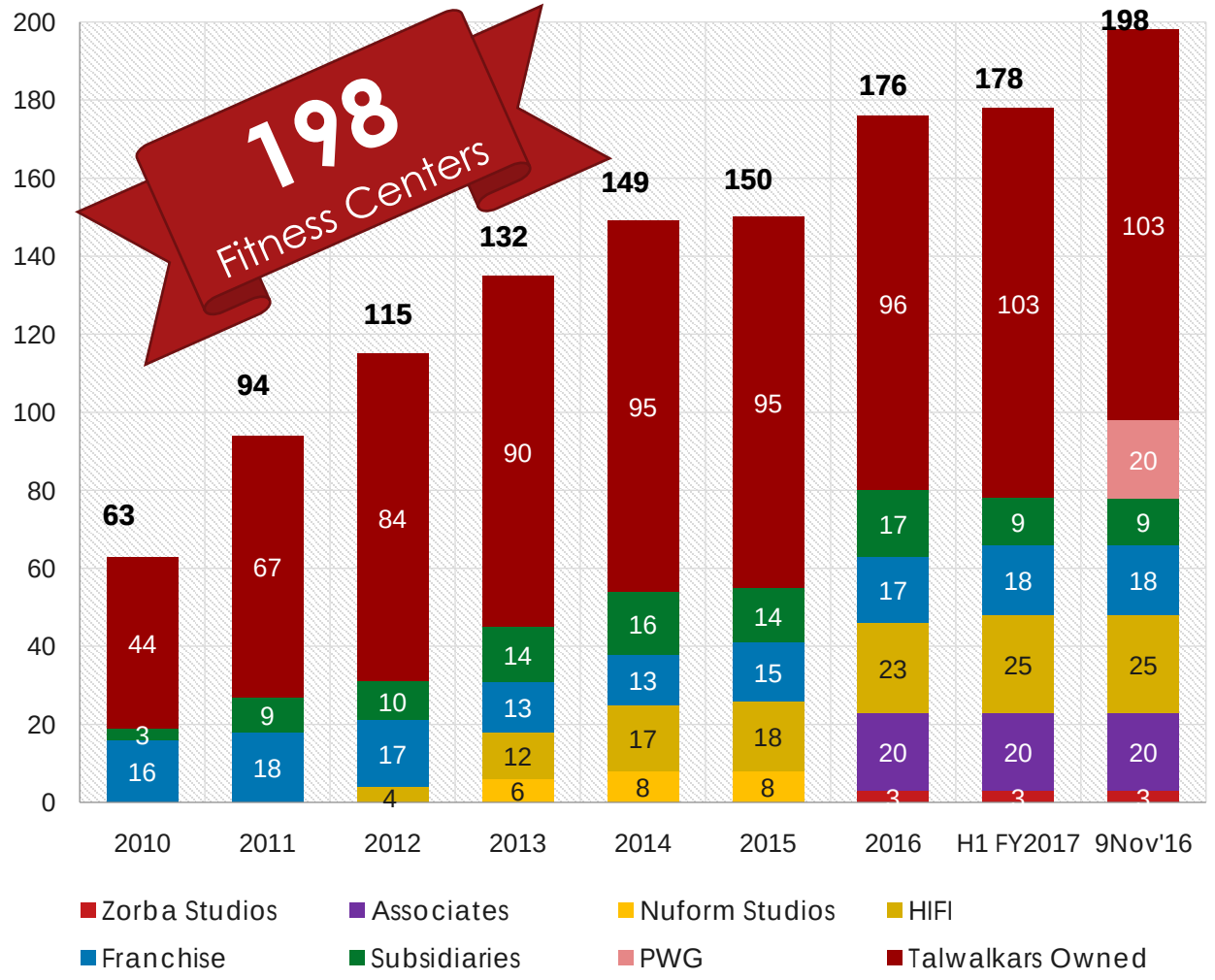
GEOGRAPHICAL PRESENCE



*Cities highlighted in **RED** have **more than 1 fitness Centre.***

Above map is not to scale and not intended to mean the political map of India and Sri Lanka

Rollout of Different Gym Formats



Nuform studios are now integrated into the Talwalkars gym centers.

RESULT UPDATE

Consolidated Results

Rs. In mn

Particulars	Quarter ended			Half Year ended		
	30.09.2016 (Unaudited)	30.09.2015 (Unaudited)		30.09.2016 (Unaudited)	30.09.2015 (Unaudited)	
Revenues	**1059**	**958**	**11%**	**1640**	**1475**	**11%**
EBITDA	**561**	**497**	**13%**	**821**	**721**	**14%**
PAT*	**291**	**246**	**18%**	**349**	**294**	**19%**

** PAT after Minority Interest and Share of Associates*

INCOME STATEMENT

CONSOLIDATED

Robust Income growth.
EBITDA Margins stood at similar level inspite of the cost pressures

PAT margins stood at 28% on account of higher contributions from the associates

EPS for the half year stood at ₹ 11.73 vs. ₹ 10.46

Particulars (₹ mn)	Quarter ended			Half year ended		
	Sep-16	**Sep-15**	**YoY%**	**Sep-16**	**Sep-15**	**YoY%**
Income from Operations	1,049	934	12%	1,624	1,441	13%
Other Income	10	24		17	34	
Total	1,059	958	11%	1,640	1,475	11%
Expenditure						
Personnel Cost	161	150	7%	247	233	6%
Admin & Other Exp	203	199	2%	368	351	5%
Service Tax Collected & Paid	134	112	19%	205	170	21%
Total	498	461	6%	820	754	6%
EBITDA	561	497	13%	821	721	14%
Depreciation	96	113	-15%	232	244	-5%
EBIT	465	384	21%	588	477	23%
Interest	52	44	18%	90	76	18%
PBT	413	340	22%	499	401	24%
Tax	118	78	51%	146	89	64%
PAT before Minority Interest	295	262	13%	353	312	13%
Share of Associates	1	0		4		
Minority Interest	5	16		7	18	
PAT after Minority Interest and Share of Associates	291	246	18%	349	294	19%

BALANCE SHEET

CONSOLIDATED

Increase in Shareholders Fund on the back of profits

Gross Debt Equity Ratio – **0.78**

Net Debt Equity - **0.55**

Fixed Assets has increased on account of CWIP of 20 gyms in Bangalore opened post quarter

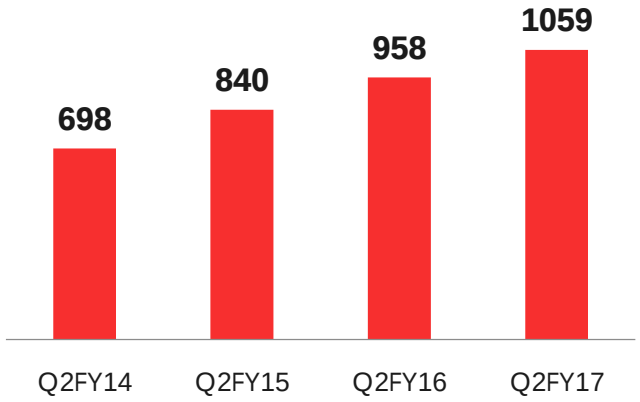
Investment in the Club Business has resulted in increase in Long Term Loans and Advances

Trade Receivables has reduced marginally by 3 days

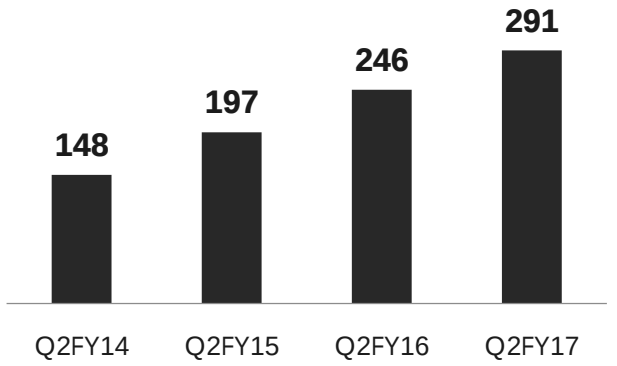
Particulars (₹ mn)	As on Sept-16	Mar-16	Sept-15
EQUITY AND LIABILITIES			
Shareholders' Funds	4,613	4,269	4,070
Minority Interest	146	139	154
Capital Reserve on consolidation	1	1	2
Long Term Liabilities	3,212	3,075	2,808
Other Non-Current Liabilities	275	275	253
Current Liabilities	1,197	1,049	787
Total Equity & Liabilities	**9,445**	**8,808**	**8,074**
ASSETS			
Non-current Assets			
Fixed Assets	6,108	5,645	5,592
Non-current Investment	102	99	51
Long-term loans and advance	1,122	829	376
Other non-current Assets	1	2	2
Total Non-current Assets	**7,332**	**6,575**	**6,020**
Current Assets			
Current Investments	0	0	0
Inventories	0	0	0
Sundry Debtors	317	317	292
Cash & Bank Balance	1,082	1,408	1,011
Short-term loans and advances	713	508	750
Other current Assets			
Total Current Assets	**2,113**	**2,233**	**2,054**
Total Assets	**9,445**	**8,808**	**8,074**

FINANCIAL SUMMARY

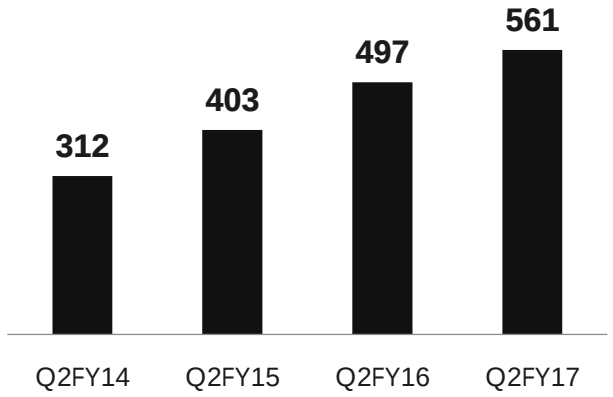
Revenue (Rs.mn)



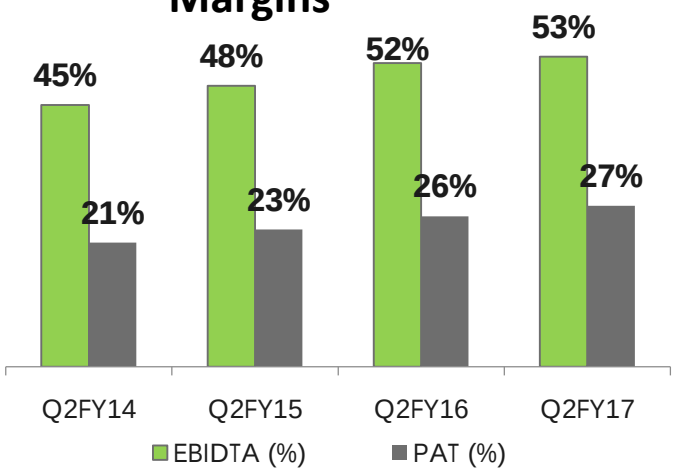
PAT (Rs. mn)



EBIDTA (Rs.mn)



Margins



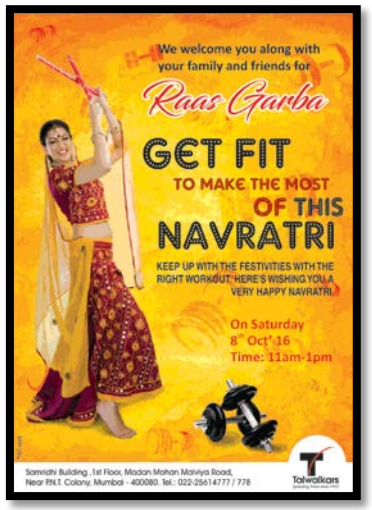
KEY OPERATIONAL HIGHLIGHTS

- The company has been able to **sustain its Margins** at the same level inspite of cost pressures.
- Due to muted growth, the SSS in the first Quarter remained flat but after the onset of monsoon the **SSS was robust.**
- Increase in **marketing cost for the Annual August Scheme** enhanced visibility across various platforms.
- The Joint Ventures and Subsidiaries contributed higher than the earlier quarters.
- Significant momentum was seen in Hi-Fi franchise . The Company intends to open **6 Hi- Fi centers by March-2017.**

KEY MARKETING HIGHLIGHTS

- The company has done **various National Marketing Initiatives** in terms of August Offer, Ganpati Festival & Navratri Festival like banners, posters, Standee & Hoarding, Newspaper Ads in Mumbai Mirror, Gujarat Samachar, Maharashtra Times.

- Various **Online initiatives** associated along with Kaya Skin Clinic, Lakme, Ritebite, Zapmart etc. were done for spreading more health fitness & wellness amongst all.

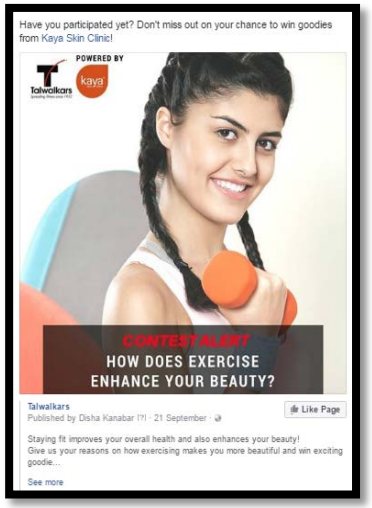














CLUB UPDATE

The Company is awaiting the final clearances from Municipal and other authorities in Pune for the revised plans submitted to them.

Separately, the Company is making efforts to open a field /marketing office in Pune at the earliest which will showcase and sell the club membership.



This is the proposed look of the club that is being sent to the municipal authorities for approvals

REORGANISATION PROPOSAL

- The Board on 5th Nov, 2015 proposed to re-organise the existing business to address shareholder concerns.

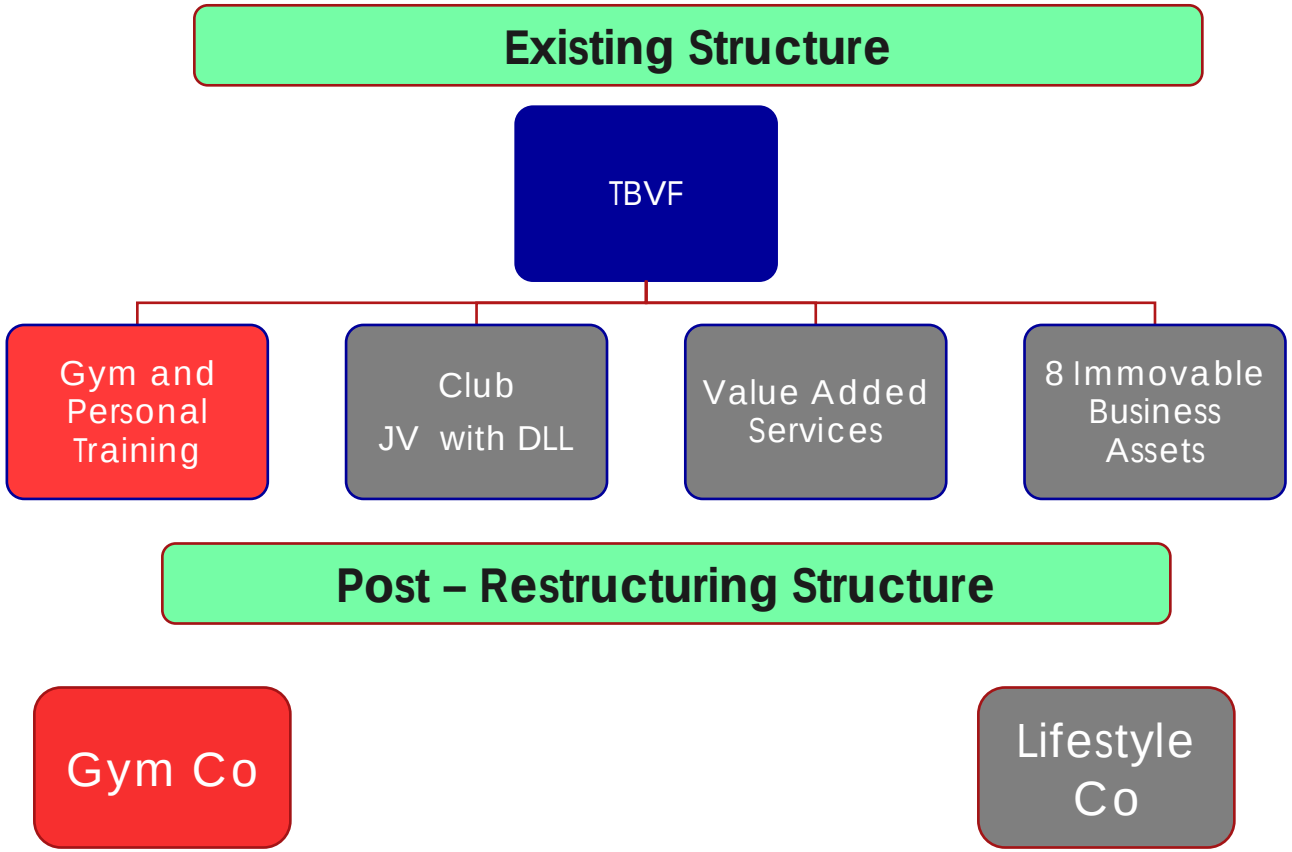
- Post this, the company sought permission and advice from its creditors and legal counsels.

- The Company has since received in-principle nod for the proposed structure from its principal lender and the Board took on record the same on 10th Nov, 2016.

- Further, the Board has, subject to final approval of lenders, creditors, other stake-holders and applicable regulatory authorities, considered the restructuring plan for segregation of the businesses through a process which is most beneficial to the Company, its shareholders and lenders.

- The Board directed the management to complete the requisite documentation necessary to give effect to the above decision as also the procedures thereafter

STRUCTURE



The Company is committed to complete the process of re-organisation in the shortest stipulated time

TBVFL – GYM CO

Post Reorganisation

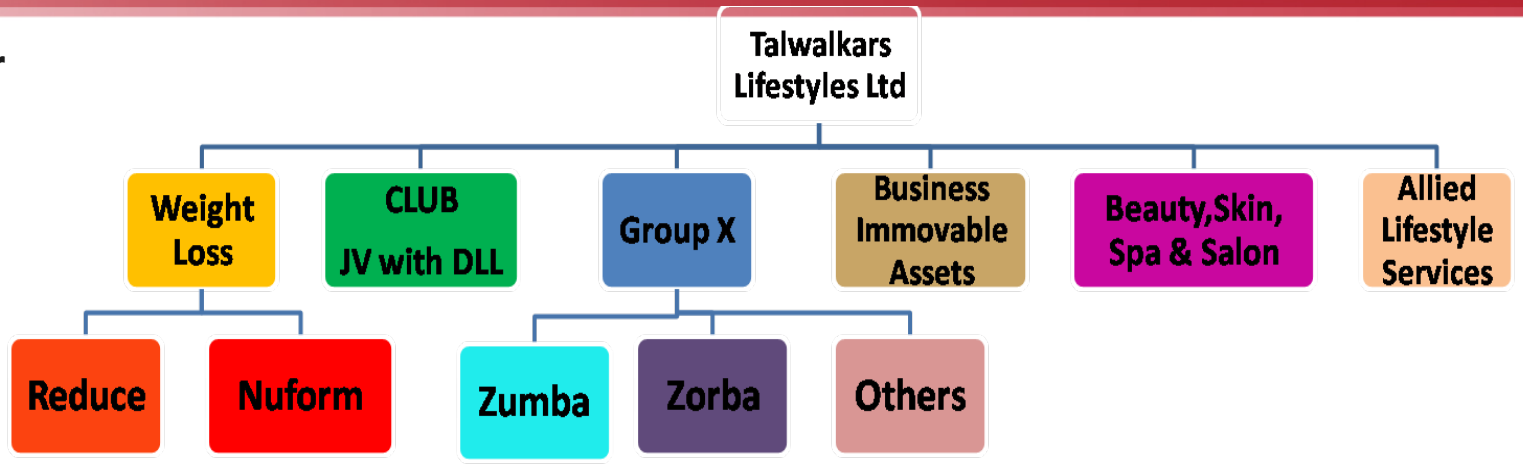
- TBVFL will continue to hold the Gym business operated by the Company or through its subsidiaries and franchisees .
- The Gym Company will be into core gymming and will not venture into the wellness segment .
- TBVFL will continue consolidating **its leadership position in India and also expand and emerge as a strong player in Asia.**
- The Gym Company will **expand both organically and inorganically through acquisitions or strategic tie-ups.**

Rationale

- Gym Segment is cash flow positive and thus is self sustained and well poised for future growth.
- The Debt in this Company will reduce as debt for the property, club and for the other non- gym business will be transferred to the Lifestyle Company, thus improving the Debt Equity Ratio
- After the re-organisation the financial parameters will improve significantly.

TALWALKARS LIFESTYLES LTD

Post Demerger



- Talwalkars Lifestyles Ltd (TLL) will be positioned to cater to each and every segment of Lifestyle consumption.
- It will also be apportioned the debt and the assets related to the above activities

Rationale

- Non-Gym business was incubated in last 3-4 yrs and it has reached an inflection point where a self sustained and self growth model is possible.
- The Wellness Industry is a sunrise sector stands with high fragmentation, high market potential and healthy growth.
- TLL will aim to create a brand and be a pioneer in the wellness sector with an organised approach

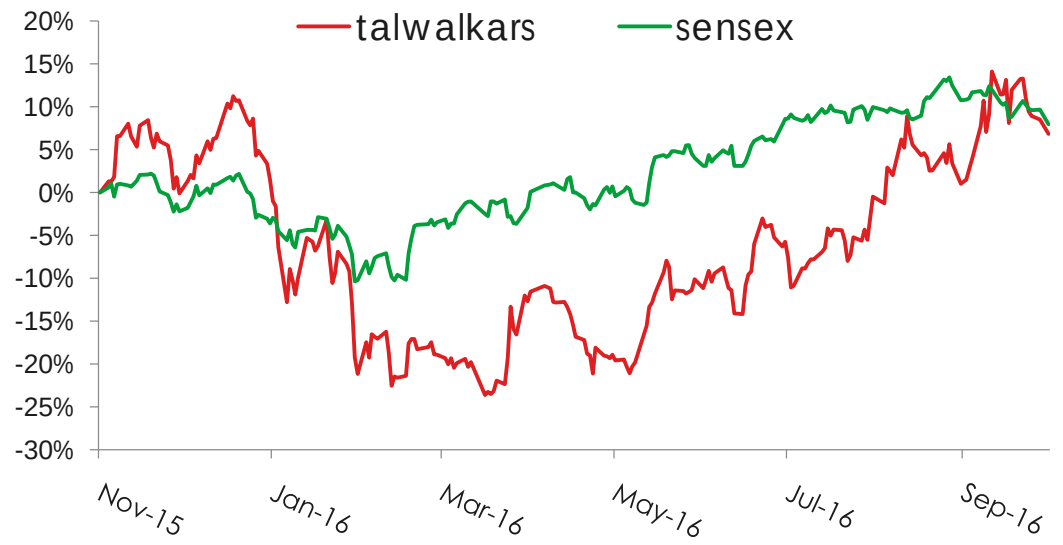
FUTURE STRATEGY

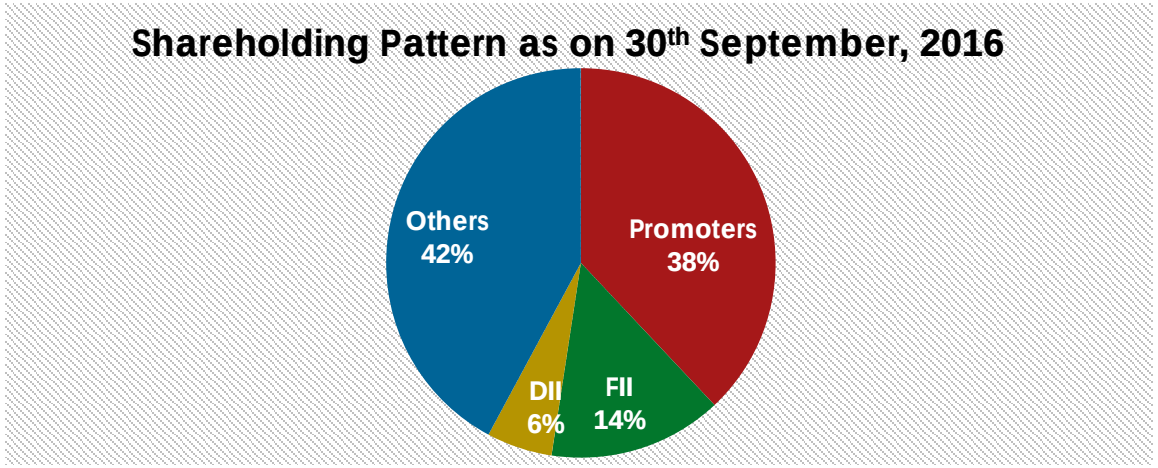
- Talwalkars continues to dominate the leadership position in the Gym & wellness Industry.
- The Company will target the top 10-12 cities of India with its PWG model and emerge as a dominant player.
- Continued gym expansion in Talwalkars Format will be driven across in opportune cities.
- The company plans to increase the share of Value Added Services like the Nuform, Reduce, Transform, Zorba, Zumba. Etc through online, onsite and through the gyms .
- 6 Hi Fi gyms slated to open by March-2017 in Jorhat (Assam); Raichur (Karnataka);Nirman Nagar (Jaipur); Amravati; Ravet (Pune); Aashiana Road(Patna), Jaysinghpur (Maharshtra).
- The Company is committed to complete the process of re-organisation in the shortest stipulated time.

CAPITAL MARKET INFORMATION

PRICE DATA (AS ON 9TH November, 2016)	
Face value (INR)	10
Market Price (INR)	253
52 Week H/L (INR)	302.05/182.0
Market Cap (INR Mn)	7,514
Equity Shares Outstanding (Mn)	29.7
1 Year Avg. trading volume ('000)	154.99

Marquee Institutional Investors (As on 30th September, 2016)	
Smallcap World Fund, Inc	8.04%
Unit Trust Of India Investment Advisory Services Limited	4.97%
American Funds Insurance Series Global Small Cap Fund	3.43%
Birla Sun Life Trustee Company Pvt. Ltd.	3.14%
Bajaj Allianz Life Insurance Company Ltd	2.58%
Axis Bank Limited	2.02%
Long Term India Fund	1.43%
ICICI Lombard General Insurance Company Ltd.	1.01%





TESTIMONIALS





ABOUT TALWALKARS

India's largest - and only listed - fitness chain

198 centres across South Asia

World-class gymming experience backed by professional trainers

Diverse fitness services including standard gymming and fitness, 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

Five fitness centre formats of Talwalkars Premium ,Talwalkars , PWG , HiFi and Zorba studios

CONCALL INVITE

CENTRUM

Centrum Broking Limited

Cordially invites you to a

Conference Call

With the management of

Talwalkars Better Value Fitness Limited

Agenda: Discussion on Q2FY17 Results & Future Outlook

Company Management	
Mr. Prashant Talwalkar Managing Director, CEO	**Mr. Anant Gawande** Executive Director, CFO
Mr. Aditya Dhillon Head - Operations	**Mr. Girish Nayak** Head - Finance
Conference Dial-In Numbers	
Primary Number:	+91 22 3960 0607
Secondary Number:	+91 22 6746 5837
International Toll Free Numbers:	USA : 1 866 746 2133 UK : 0 808 101 1573 Singapore : 800 101 2045 Hong Kong : 800 964 448
Date:	Friday, 11 November 2016
Time:	02:00 PM IST

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

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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.

Contact information

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THANK YOU

Talwalkars
Spreading fitness in over 70 cities