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

Talwalkars™
Spreading fitness since 1932

Date: 8th May, 2013

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 Sir,

Re: **Talwalkars Better Value Fitness Limited; Scrip Code No. 533200**
Sub: **Furnishing Updates on the Financial Results for the quarter ended 31st March, 2013.**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 31st March, 2013.

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
Encl: As Above





Talwalkars
Spreading fitness

TALWALKARS BETTER VALUE FITNESS LTD

Quarterly Update(Q4FY 2012-13) and FY2012-13

8th May 2013

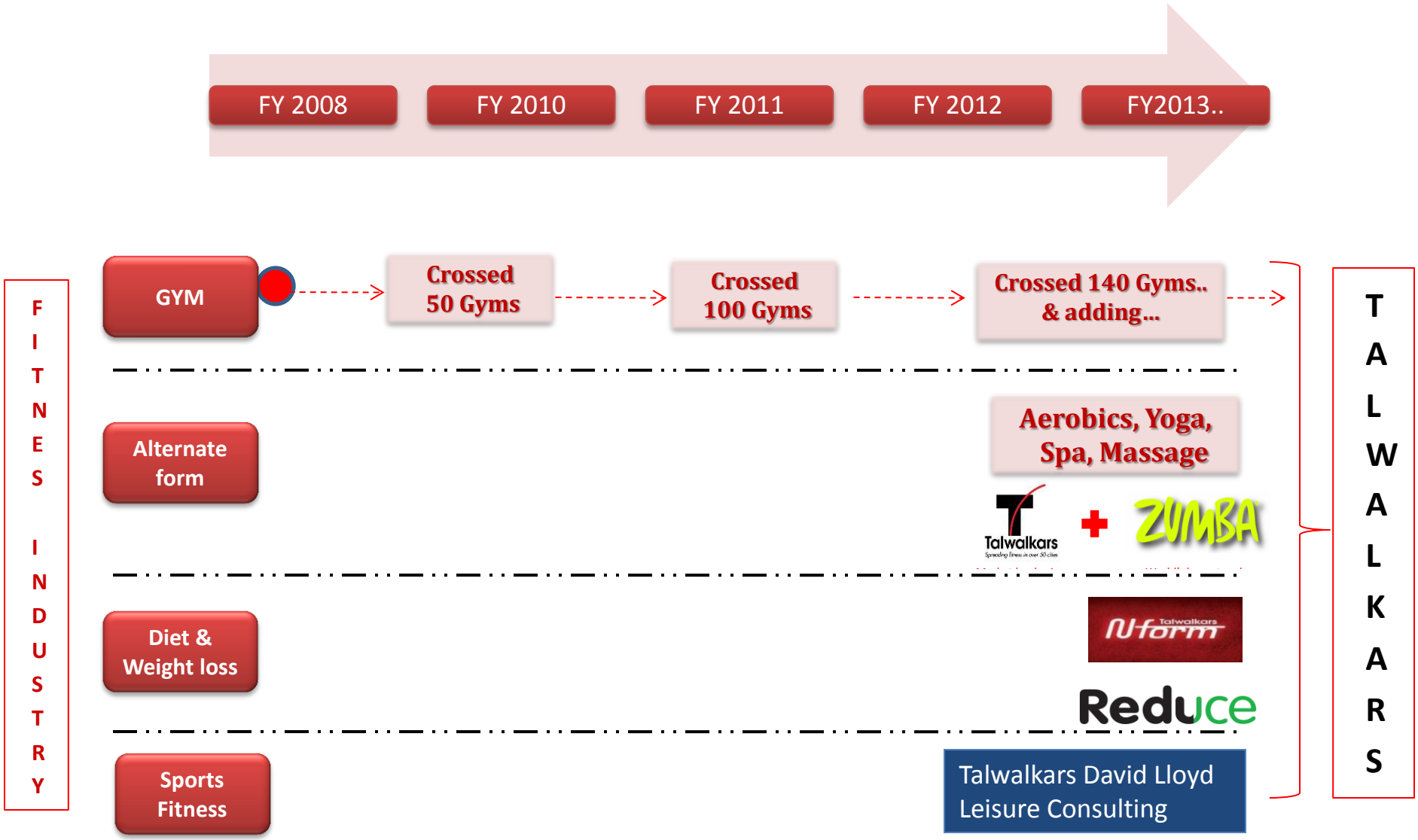





Agenda

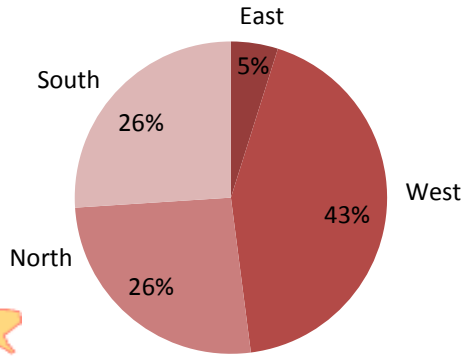
- Overview
- Q4 FY13 & FY12-13
  - Financial Highlights
  - Macro Highlights
- Outlook
- Marketing Initiatives

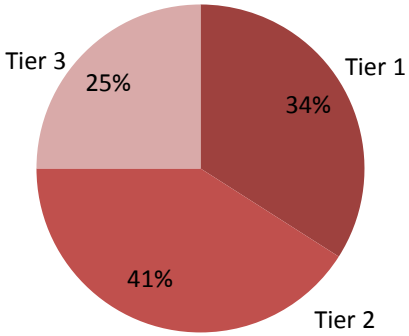
Talwalkars: A holistic fitness player



Market leadership with pan-India presence



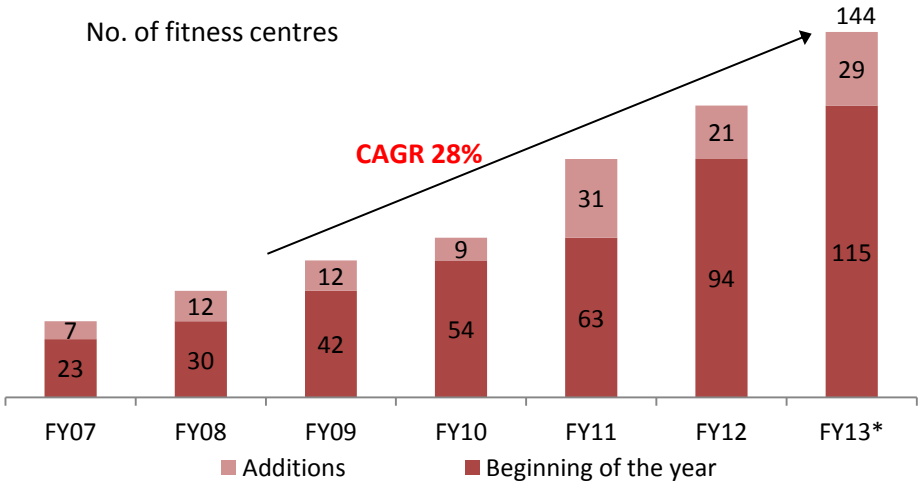


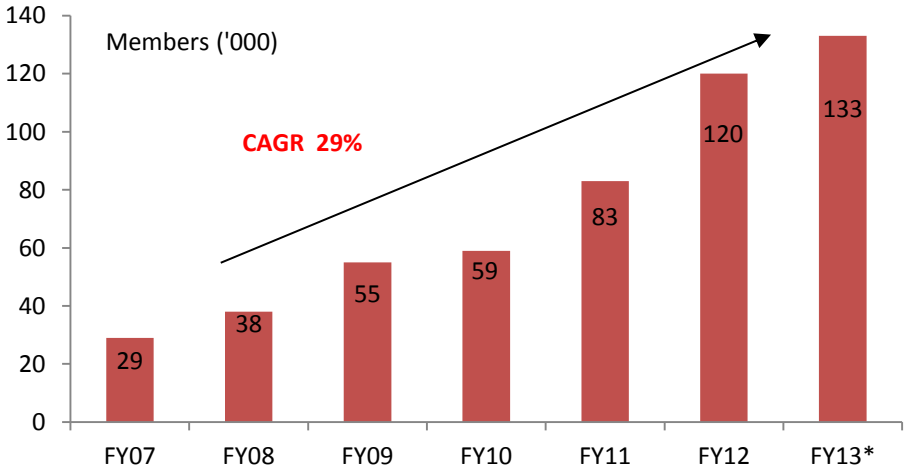


	No. of Cities	No. of States
NuForm	1	1
Zumba® program	18	9
Reduce	3	3

Note: Cities highlighted in red have more than 1 fitness centers; above Map is not to scale and not intended to mean political map of India

144 fitness centers in 75 cities spread over 19 states……





*As on result date

	FY13	FY12
	144 centers	115 centers
	75 cities	64 cities

Format	Fitness centers
Talwalkars	
Owned	101
Subsidiary	15
Franchisee	7
Trademark licensed	6
HiFi	15
Total	**144**

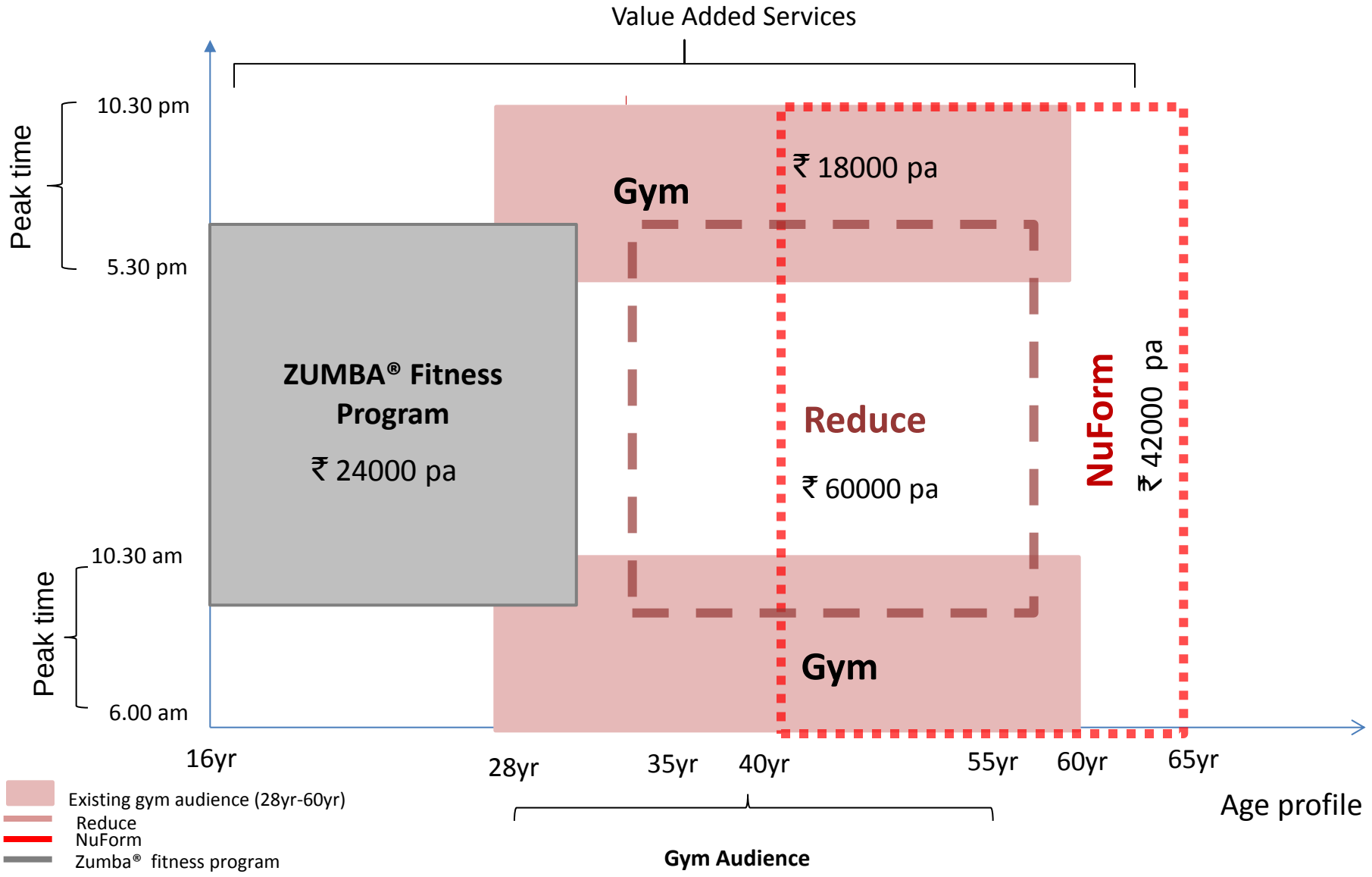
Enhancing profitability – Focus on same stores sales growth

- The new initiatives has helped the company to leverage on its current asset and enhance member base. Pricing for new initiatives is at a significant premium that shall have a salutary impact on the margins

New offerings	Existing offerings
NuForm ₹36,000 - 42,000 pa	**Gym membership** ₹14,000 - 20,000 pa
Zumba® program ₹2000 - 2500 pm	**Aerobics** ₹700 - 750 pm
Reduce Program ₹15,000 - 20,000 pq	**Nutrition** ₹2000 - 2500 pq

	NuForm	Zumba® program	Reduce
Cap-ex	₹ 9-10 mn	₹ 1.5-2 mn	₹ 0.7-0.8 mn
Revenue/fitness center	₹ 8-9mn	₹ 1-1.2mn	₹ 2mn
EBITDA	40-45%	55-60%	40-45%
ROCE	25-30%	25-27%	75-80%

Enhancing productivity & member profile…



Understanding financials – Seasonality

Given the nature of our Business, there exists a strong seasonality and hence our numbers should be compared on a YoY basis, and not sequentially to derive the true picture

		REVENUE %	PAT %	Characteristics	
Q1	Apr - Jun	17%	9%	School vacation, Monsoons	↓
Q2	Jul - Sep	33%	41%	Talwalkars Annual Discount Scheme, A big Draw	↑
Q3	Oct - Dec	17%	10%	Festivals: Diwali, Ganesh Chaturti, Pongal, Navratri, Dussera, Christmas	↓
Q4	Jan - Mar	33%	40%	New Year, New resolutions sees uptake in membership	↑

Financial Performance: FY13 (Apr-Mar)

Consolidated Results

(₹ in Million)

Particulars	Quarter ended			Year ended		
	31.03.2013 (Unaudited)	31.03.2012 (Unaudited)		31.03.2013 (Audited)	31.03.2012 (Audited)	
Sales	558	412	36%	1,688	1,305	29%
EBITDA	284	214	33%	739	559	32%
PAT *	121	95	27%	301	221	36%

** PAT after minority interest*

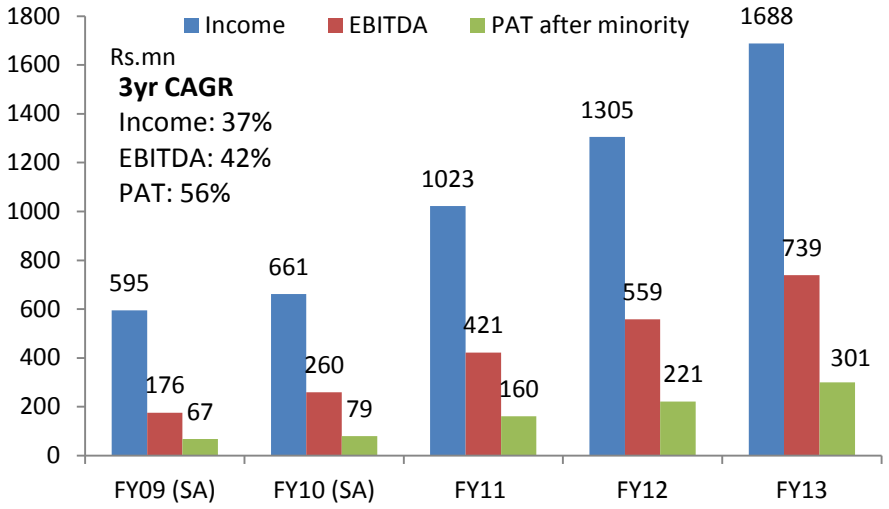
Consolidated Results: Profit & loss (FY12-13)

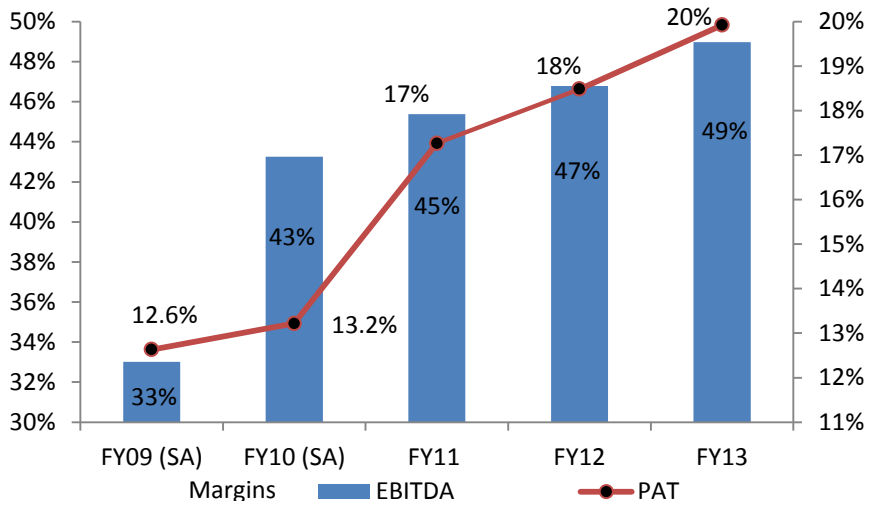
(₹ mn)	Quarter ended				Year ended		
Particulars	**Jan-Mar 2013**	**Oct-Dec 2012**	**Jan-Mar 2012**	**YoY%**	**Apr-Mar 2013**	**Apr-Mar 2012**	**YoY%**
Income from Operations	558	284	412	36%	1,688	1,305	29%
Other Operating Income	5	4	5	4%	13	16	-17%
Total	564	288	417	35%	1,701	1,321	29%
Expenditure							
(Increase)/Decrease in stock in trade	(2)	-	-		(2)	-	
Purchase of stock in trade	3	-	-		3	-	
Personnel Cost	83	55	56	48%	312	248	26%
Admin & Other Exp	136	96	117	16%	470	403	17%
Service Tax Collected & Paid	60	29	30	97%	179	112	61%
Total	**280**	**181**	**203**	**38%**	**961**	**762**	**26%**
EBITDA	**284**	**107**	**214**	**33%**	**739**	**559**	**33%**
Depreciation	41	36	29	42%	146	118	24%
EBIT	**243**	**72**	**185**	**31%**	**592**	**441**	**34%**
Finance cost	21	30	28	-25%	108	91	18%
PBT	**222**	**42**	**160**	**38%**	**484**	**350**	**39%**
Tax	90	8	45	100%	158	104	52%
PAT & before extraordinary Items	132	34	116	14%	326	249	31%
PAT before Minority Interest	**132**	**34**	**116**	**14%**	**326**	**249**	**31%**
Minority Interest	11	5	20	-45%	26	29	-10%
Net Profit After Minority Interest	**121**	**29**	**95**	**27%**	**301**	**221**	**36%**

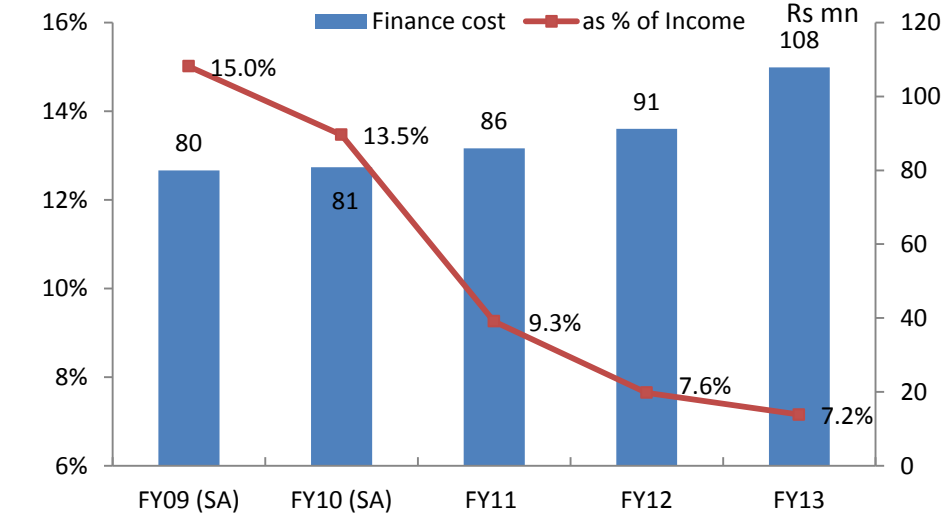
Consolidated Results: Balance sheet (FY12-13)

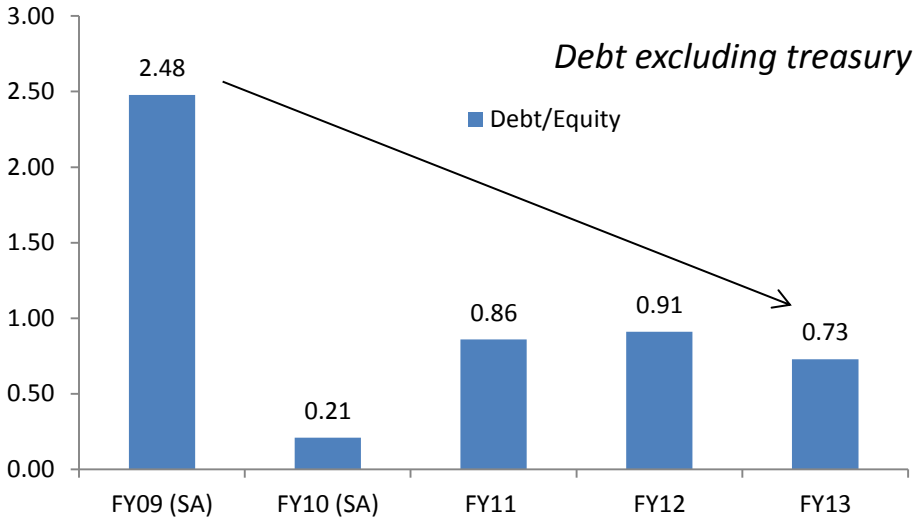
(₹ mn)	Unaudited	Audited	
Particulars	**30.09.12**	**FY 12-13**	**FY 11-12**
EQUITY AND LIABILITIES			
Shareholders' Funds	1580	2,083	1,441
Share Application money pending allotment	6	-	-
Minority Interest	60	81	50
Capital Reserve on consolidation	2	2	2
Non-current Liabilities	**1527**	**1,710**	**1,455**
Deffered tax liabilities (net)	143	192	143
Current Liabilities	**628**	**631**	**427**
TOTAL - EQUITY AND LIBILITIES	**3803**	**4,506**	**3,376**
ASSETS			
Non-current assets			
Fixed Assets	2912	3,578	2,576
Non-current investment	180	227	175
Long-term loans and advances	214	252	199
Other non-current assets	2	2	2
Total Non-current Assets	**3307**	**4,058**	**2,952**
Current Assets			
Inventory	-	2	-
Sundry Debtors	198	177	201
Cash & cash equivalents	230	229	198
Short-term loans and advances	67	39	24
Total Current Assets	**496**	**448**	**424**
TOTAL - ASSETS	**3803**	**4,506**	**3,376**

The Growth Story since IPO– Consolidated basis









Current Quarter Financial Highlights : P&L Consolidated

- The company's operational income has increased 36% YoY to ₹ 558mn which is higher than the expected growth rate of 30-32% for the quarter.
- Personnel cost has gone up by 48% essentially on the back of newly recruited Zumba® trainers and marketing for Reduce. The benefit of which will accrue over next 2-3 quarters.
- The company has tightly controlled administrative and other expenses which have gone up only by 16%
- Finance cost has reduce on a YoY basis essentially due to better management of treasury and deployment of QIP funds to reduce interest burden.
- The EBITDA has increased by 33% YoY to ₹ 284mn primarily led by value added services
- Provision for taxes has increased 100%
- The PAT after minority interest has increase 27%YoY to ₹ 121mn

Financial Highlights : Balance sheet

- The company's book value per share has increased from ₹ 59.8 to ₹ 79.6

- The company's gross debt from 30th Sep -31st March has remained at similar levels. The gross debt –equity ratio of the company has reduced from 0.91 to 0.73 indicating lower dependence on debt.

- Non-current assets and cash & bank balance essentially includes liquid investments in debt market mutual funds, bank fixed deposit and cash equivalents. **Post this the net debt – Equity ratio is 0.51**.

- The company has assiduously reduced its sundry debtors from ₹201 mn to ₹ 177 mn leading to a release in the cash flow. This is in spite of 36% growth in the sales

Current Quarter Macro Highlights

- **New initiatives:** In the current financial year, especially in the current quarter, the company has widened its presence in different segments of fitness like weight loss (Reduce), alternate form of fitness (massage & Zumba®). These initiatives are significantly higher ROCE business due to its low dependence on cap-ex. Some of these activities can also be developed as standalone service outside the fitness center.

  - The company has increased the Zumba® centers to 29 from 15 since the last quarter result. The company currently has over 150 certified Zumba® trainers. This will help the company to open further Zumba® outlets seamlessly

  - Large corporates including MNC's are availing Zumba® program and Nuform. The company is actively looking at other avenues like schools, colleges , home based services etc.

  - The company has increased Reduce centers to 17 centers from 5 since last quarter results. The member base has widened to over 500 members. Reduce is also offered as "Home based Reduce", primarily catering to HNI and corporates at their door step. Reduce requires minimal cap-ex and hence has a high ROCE impact on the fitness center's profitability

- **Credit rating:** Care credit rating agency has reaffirmed "AA-" rating to the company.

Current Quarter Macro Highlights

- **Merchandising:** The company has launched online Shop site for Zumba® merchandising, nutritional supplements, Talwalkars fitness accessories and gift vouchers. The response has been satisfactory. The company aims at adding new fitness brands under various category of merchandising.

- **New gym performance**

  - The positive response to the new gyms clearly reflects the latent demand and scope for expansion in tier 1, 2, 3 cities. The company has widened its reach in to smaller towns of India like Bhilai, Bhimavaram, Wakad, Kakinada.

  - The company has 101 gyms under its ownership model

  - HiFi in Vidyanagar, a small satellite area near Hyderabad has received over 250 member enrollments within 1 month of its operation

  - A newly opened fitness center in Kalwa in Mumbai has received over 300 members within 2 month of its launch.

Outlook

- **Holistic fitness player:** The company has transformed from a gym player to a holistic fitness player with a pan –India presence, catering to each segment of the fitness industry like weight loss, personal training, Zumba® program, sports. This has not only helped the company to leverage on the current asset and member base but has also widened the member profile and profitability.

- **Focus on same store sales growth**

  - The new initiatives launched by the company are high EBITDA and ROCE accretive. The impact of these initiatives will be more visible in the coming quarters.

  - Zumba® program, Nuform, Reduce program are all priced at a premium and hence generate revenue 2x-3x more than existing services.

  - Launch of Zumba® and Reduce program are in line with the expectations. The company is sure of having 100 Zumba® Centers and 75 Reduce centers by Mar'14.

Outlook

Financial

- The company has continued to exhibit strong growth performance for the year and expects to maintain similar pace of growth in revenues and margins.
- The share of value added services like personal training, spa, Zumba® program, Reduce has increased significantly. Going forward, the impact of these value added services will help to maintain margins with an upward bias.
- The company expects growth in FY14 to be driven both by growth in gyms and same store sales growth.

The company has opened 29 fitness centers since Apr'13. The company is looking at adding 20-30 fitness centers under all format in the next financial year.

Marketing initiatives



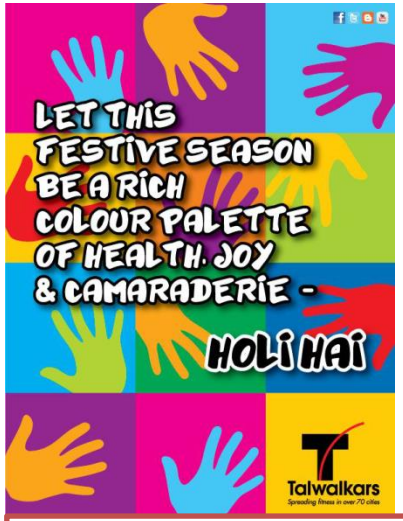
92 participants for the Webinar on **"Find out how Zumba® Fitness can help you party yourself In shape!"**



Conducted contests in association with Fashion Most Wanted.



Media net articles and Google ads for the promotion of Nuform, Reduce, Zumba® Program and shop site





Festive emails on the eve of Republic day, Holi and Makar Sankrant

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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.

THANK YOU!

FOR FURTHER INFORMATION, CONTACT

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