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: 7th August, 2014

To,
Mr. Wilbur Fernandes/ Mr. Troydon Bird,
The Manager
Bombay Stock Exchange Ltd.
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

To,
The Manager
Listing / Compliance Department,
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 Ltd.; Scrip Name: TALWALKARS;Scrip Code : 533200**
Sub: **Furnishing Updates on the Financial Results for quarter ended 30th June, 2014.**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 30th June, 2014.

Kindly take the same on records and acknowledge the 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 BETTER VALUE FITNESS LIMITED

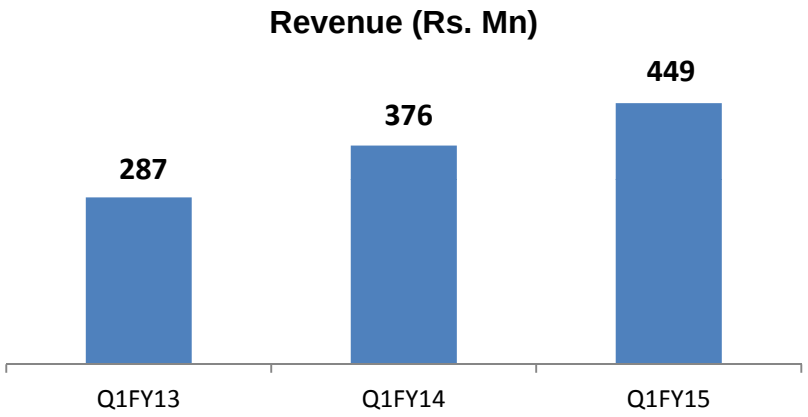
QUARTERLY UPDATE (Q1 FY2014-15)

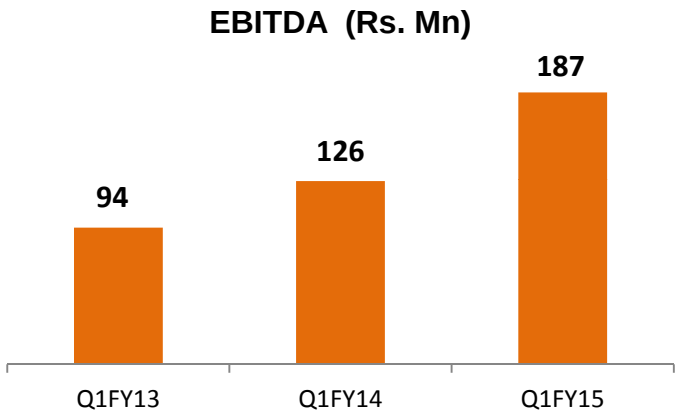


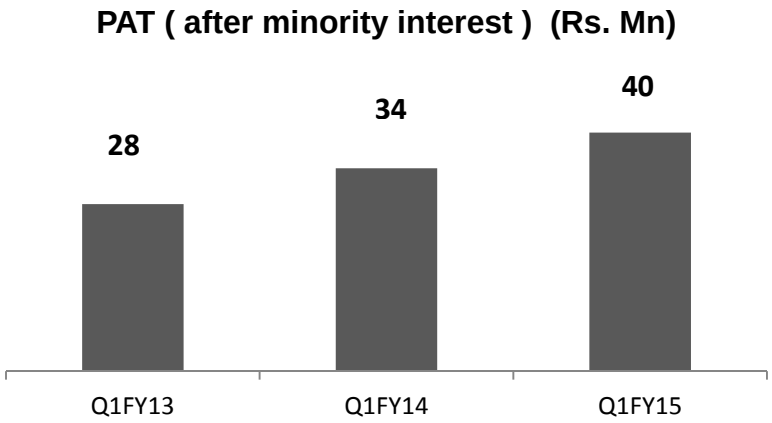
DISCUSSION POINTS

- FINANCIAL SUMMARY
- PAN-INDIA FOOTPRINT
- CORE DEVELOPMENTS OF THE QUARTER
- KEY MARKETING HIGHLIGHTS
- RESULTS UPDATE
- GOING FORWARD
- ABOUT TALWALKARS

FINANCIAL SUMMARY







OUR FOOTPRINT

150
Fitness centers

78
Cities and towns

18
Indian states



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

PAN-INDIA SWEEP

Talwalkars added one new fitness centre in Mumbai (Vile Parle) during the quarter (Q1 FY2014-15). This centre has an inbuilt TRX studio.

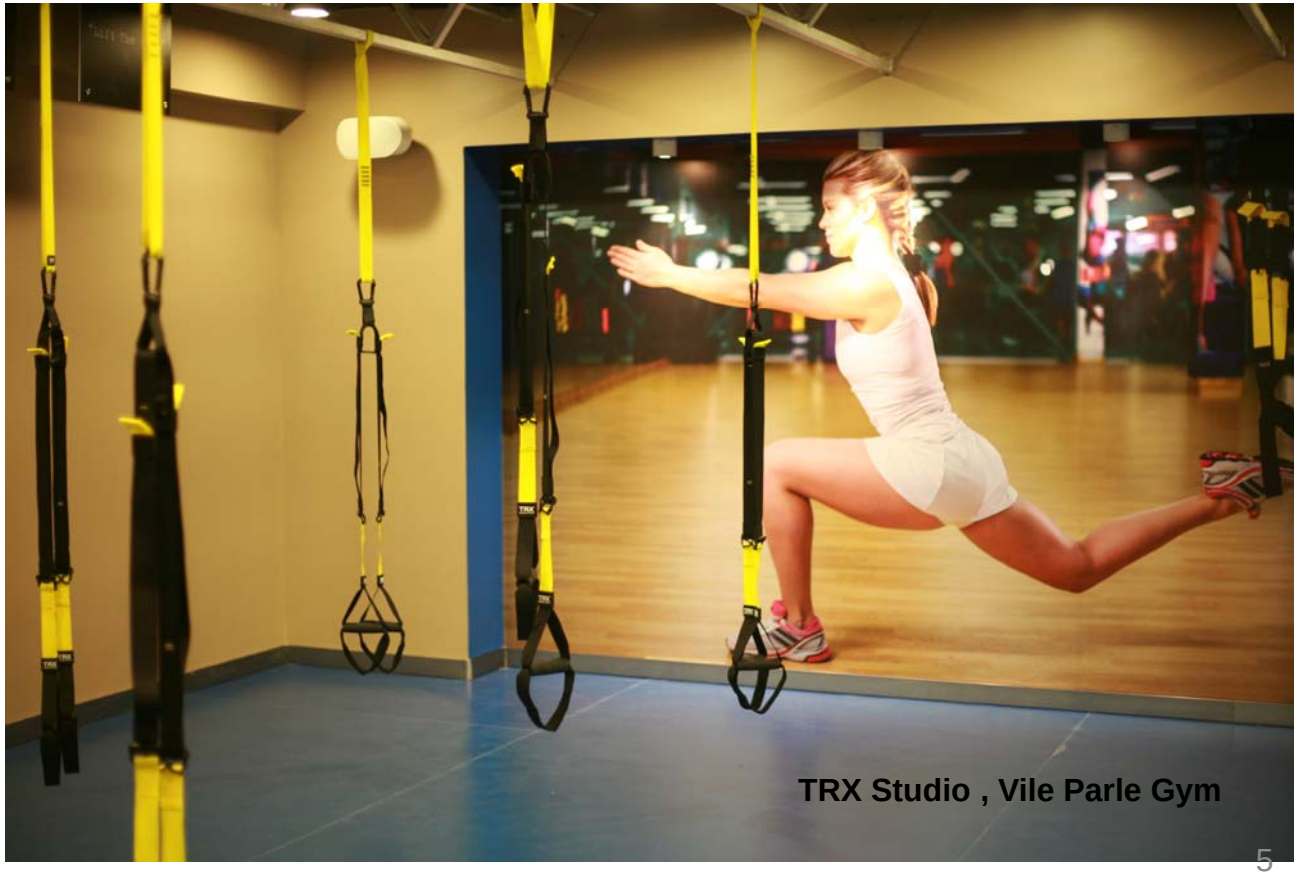
Our assets – fitness centre count

150 fitness centres

Q1/ 2014-15

78 cities

Q1/ 2014-15



TRX Studio , Vile Parle Gym



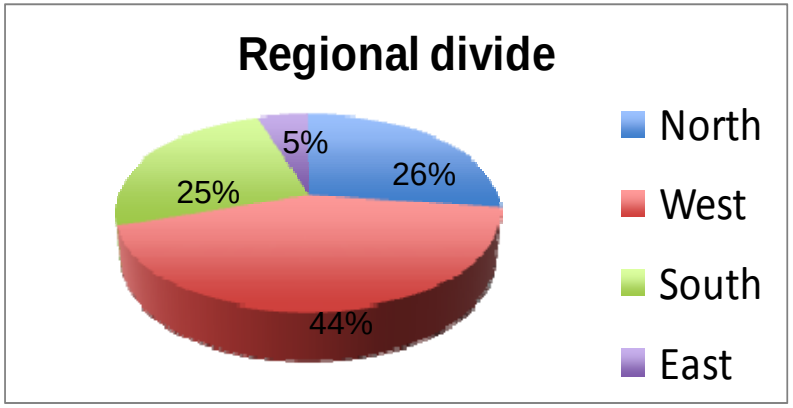
Talwalkars Fitness Centres

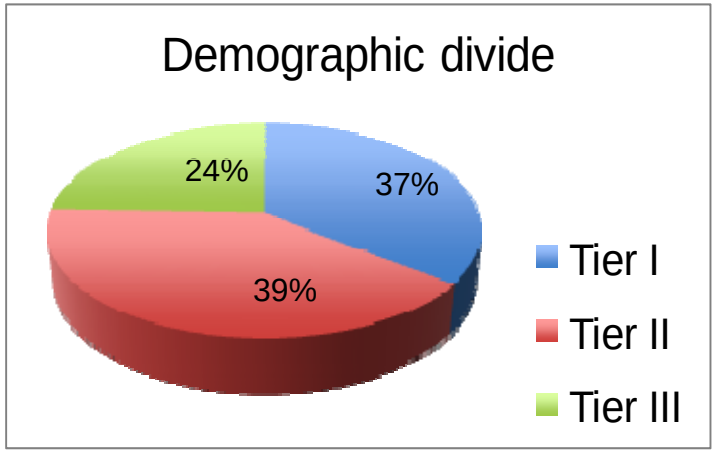
- Pan-India sweep with 150 fitness centres across 78 cities in 18 states
- Quarter-start (April 1, 2014) centres: 149; quarter-end (June 30, 2014) centres: 150, representing an addition of 1 centre during the quarter
- Under the signed master franchisee for establishing 30 HiFi fitness centres in Tier-III and IV towns over the next three years, we will be launching soon in Aurangabad, Jalna, Osmanabad, Parbani and Udgir
- Going forward fitness centres in the Franchise format has also been initiated in Bhilwara , Jagatpura (Jaipur) and Patna.

EXTENSIVE FOOTPRINTS

Multi-format asset ownership

Talwalkar's	
Owned	104
Subsidiary	16
Franchise and Liscensed	13
HiFi	17
TOTAL	**150**





CORE TALKING POINTS OF THE QUARTER

- Reached the 150 fitness centre milestone in Mumbai (Vile Parle); enrolment of 537 members at a premium pricing, sprawling 4,300 sq. ft, this all-inclusive health club provides a full cardio section, a dedicated strength and weight training zone and a massage centre and offers such workout forms like aerobics, spinning, kick-boxing, TRX and kettle bell
- About TRX: The TRX Suspension Trainer is the original, best-in-class workout system that leverages gravity and bodyweight to perform hundreds of exercises
- About Kettle Bell : It combines the benefits of dumbbell training with a high intensity cardio workout to help you build muscle, increase power and get lean



Contd…

- Invested in training of trainers; collaborated with market-leading Premier Training International for quality training and development of personal trainers and fitness professionals
- Premier is a leading health and fitness training provider. It has built a first-class reputation in delivering quality vocational education since 1992
- This education pathway scheme comprises kinesiology, anatomy, physiology and customer service. Premier will deliver leadership and management training to over 40 senior managers as well as organise a five-day Advanced Fitness Skills course for 180 fitness trainers
- Courses focused on UK Level 3 accreditation, REPs membership and overseas internship



Contd…

- As compared to Talwalkars other offerings Zumba® has been slow on pickup as in India Zumba® is provided by freelancers since past 5-6 yrs. However the Company is confident that with its corporatized approach it will have increased enrolments.
- Launched the Summer Scheme, a precursor to the August Scheme, and received an encouraging response
- Share of value-added services has grown from 18-20% in 2011-12 to 22-23% in 2013-14



Contd…

- Launched a unique, value added ‘Transform’ program – a combination of NuForm (high-end German technology delivering complete fitness in just 20 minutes/week) and Reduce (unique diet-based easy weight-loss solution)
- Transform perfectly blends together weight loss and muscle toning to deliver overall fitness. It addresses holistic fitness needs.
- The national marketing campaign for Transform was strategically initiated from 1st April,2014 onwards to increase the margins in the weak quarter.
- The response to Transform program was overwhelming, resulting an upshot in the Revenues, EBITDA and PAT margins in this quarter .

TRANSFORM


Talwalkars
Spreading fitness since 1932
KEEN TO BE
LEAN?
Talwalkars introduces TRANSFORM,
first ever scientific weight management programme in India.
TRANSFORM combines the toning benefits of cutting-edge
EMS technology and the goodness of nutritious food.
20 MINUTES A WEEK + 3 PERSONALIZED MEAL-PACKS PER DAY PROVIDED BY US
Inch Loss: Reduces fat, tones muscles
One-on-One Training: Personal trainer and dietician
Home PEP: Personal Exercise Programme in your home at your convenience
Introductory offer*: Lose more to gain more!
eggfirst.com
*Terms and conditions apply.
Talwalkars
TRANSFORM
Talwalkars Transform is available at: Andheri (W): 2631 3505/ 06 | Bandra (W): 2641 3214/ 15 | Chembur (W): 2529 2104/ 05 | Colaba: 2215 0507/ 08 | Powai: 2847 0603/ 04 | Thane - Panchpakhadi: 2536 6313/ 14
Thane - Vasant Vihar: 2171 4851/ 52 | Vile Parle (E): 2612 3146/ 47 | For appointments call: 3371 0100/ 101 | Register on www.talwalkars.net or SMS HEALTH to 53636.
Franchise inquiries solicited, mail us at franchise@talwalkars.net /talwalkarsindia @mytalwalkars

KEY MARKETING HIGHLIGHTS



- Launched the 4-month Summer Fitness Programme (one month free on the purchase of a 3-month membership)
- Launched the national marketing campaign for Transform under the positioning of ‘Keen to be lean?’
- Launched fitness campaigns on Mothers’ Day, Fathers’ Day, World Environment Day, World Health Day and World No Tobacco Day



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 vacations, monsoons	↓
Q2	Jul - Sep	33%	41%	Talwalkars annual discount scheme	↑
Q3	Oct - Dec	17%	10%	Festivals: Diwali, Ganesh Chaturti, Pongal, Navratri, Dussera and Christmas	↓
Q4	Jan - Mar	33%	40%	New year resolutions sees an uptake in membership	↑



Consolidated Results

(₹. in Million)

Particulars	Quarter ended		
	30.06.2014 (Unaudited)	30.06.2013 (Unaudited)	
Revenue	449	376	19%
EBITDA	187	126	48%
PAT	40	34	18%

* PAT after Minority Interest



Consolidated Results

Increase in Revenue on account of higher share of value- added services per gym

Increase in depreciation due to acceleration method followed and partial increase in capex

EBITDA margins stood strong at 48% in a weak quarter

Finance cost has marginally increased during quarter because of short term loans

PAT margins has increased by 18%

Particulars (₹ mn)	Quarter Ended		
	Jun 14	**Jun 13**	**YoY%**
Income from Operations	447	374	20%
Other Income	1	2	
Total	449	376	19%
Expenditure			
Personnel Cost	81	77	5%
Admin & Other Exp	133	133	
Service Tax Collected & Paid	47	39	20%
Total	262	250	5%
EBITDA	187	126	48%
Depreciation	98	50	95%
EBIT	88	76	17%
Interest	38	30	27%
PBT	50	46	10%
Tax	6	6	
PAT before Minority Interest	44	39	11%
Minority Interest	3	5	
PAT after Minority Interest	40	34	18%



- Post general elections, there is a positive surge in sentiments & mood of people. This can been gauged in membership enhancement in the month of May and June 2014
- The Company plans to open new fitness centres which will be unveiled shortly, consistent with the expansion plans which will yield a higher ROCE
- Market profit-accretive Transform program to enhance business across more fitness centres. Transform has scope for substantial growth
- The initial response in the first week for the August Scheme has been encouraging. This performance at the same-store level for the current year has been higher as compared with the last year

ABOUT TALWALKARS (TBVFL)

- India’s largest - and only listed - fitness chain
- 150 centres across 78 Indian cities and towns
- World-class gymming experience backed by a pool of highly-professional trainers
- Modern personnel training institute in Thane (Mumbai)
- Diverse fitness services including standard gymming and fitness, Zumba® program (aerobics and Latin dance-inspired fitness program), Transform (holistic fitness program), Reduce (diet-based, easy diet program), NuForm (time-efficient weight loss program), spa, massage, aerobics and yoga
- Two fitness centre formats of Talwalkars and HiFi



- ‘The Fastest Growing Mid-Sized Companies in India’ by Inc 500. Talwalkars holds a 261 ranking in the list of 500 companies.

- ‘Innovative 100’ by Inc. Ranking of top-100 innovative business practices in India's mid-sized companies.

- ‘Best under a Billion Dollars’ by Forbes Asia.

CAUTIONARY STATEMENT AND DISCLAIMER

- 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 statement.



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