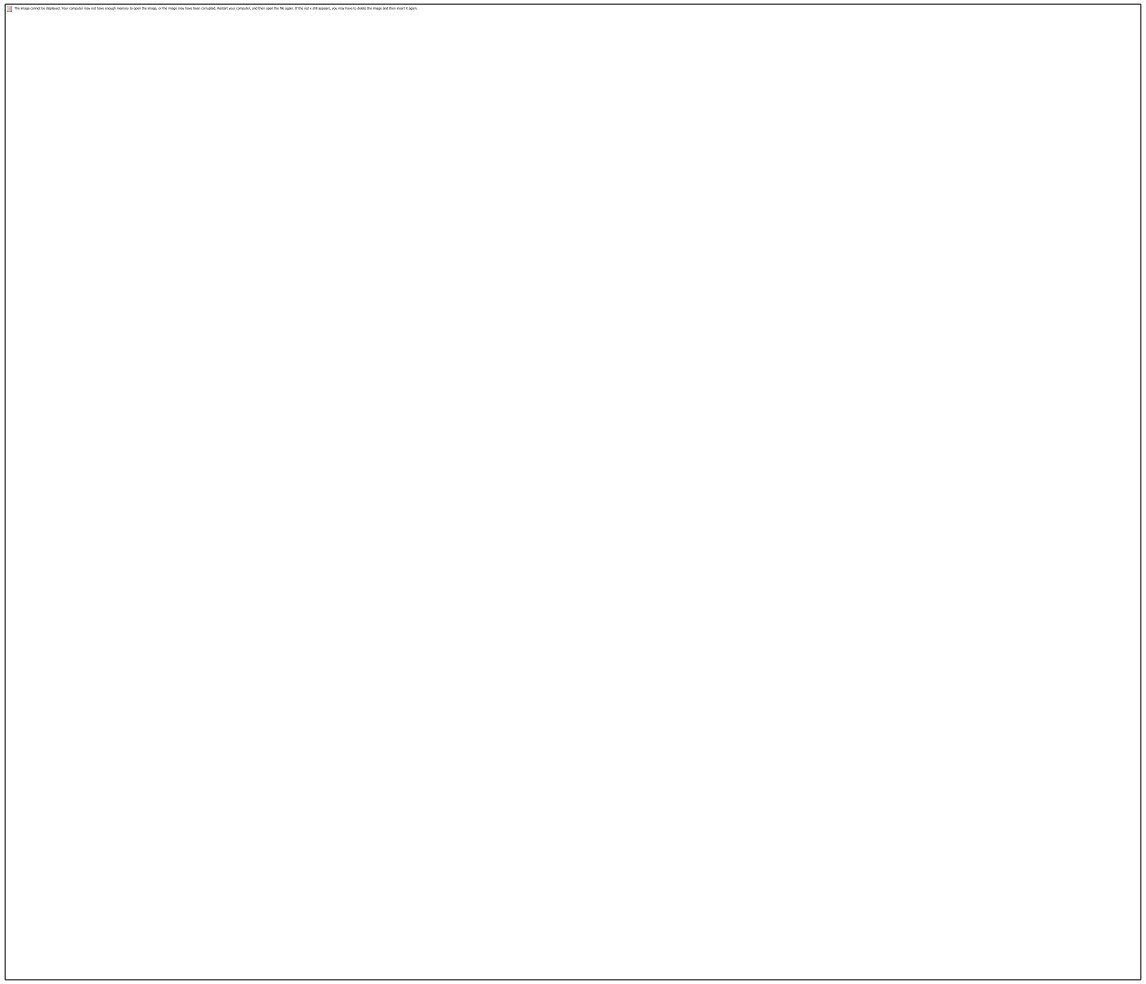


Quarter 2 - September 2011

Cautionary Statement & 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 (TBVF)

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.

Agenda

- Indian Wellness Market Overview
- Talwalkars : Overview
- Strategy & Strengths
- Marketing Initiatives
- Quarter 2: 2011
- Outlook

Indian Wellness Market Overview

- From its nascent unstructured beginning in the early 90s, the Indian Wellness industry has evolved into a comprehensive ecosystem that includes consumers, providers, adjacent industries, facilitators and the Government.

- The overall wellness market in India is estimated at INR 490 bn of which wellness services alone comprises 40%, and fitness services account for 65% of the total.

- The wellness industry is estimated to grow at a CAGR of 20% to reach INR 875 bn in the next 3 years , based on the following reasons :

  - ✓ Large number of domestic entrants and international players
  - ✓ Maximisation through product and service diversification
  - ✓ Franchising is emerging as a popular option
  - ✓ Strong optimism about future growth prospects

PWC – FICCI Sept 2011

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Talwalkars Better Value Fitness Ltd

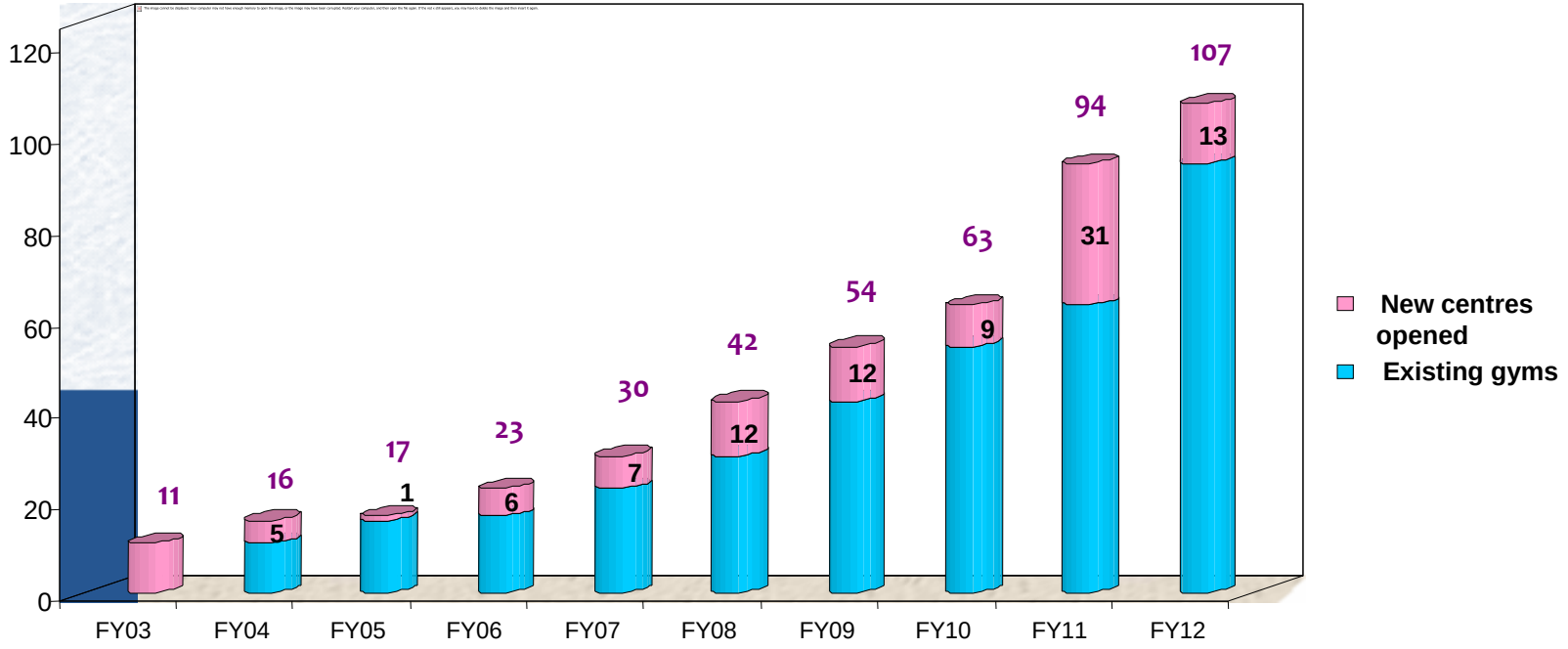
Snapshots - Macro

- Pioneer in the Fitness Industry – India's largest fitness brand Talwalkars & *HI FI* with 107 health clubs & gyms across 56 cities serving over 1,10,000 members.
- Talwalkars Better Value Fitness (TBVF)is the only listed Fitness & Wellness Company on the Indian bourses.
- TBVF is proud to be listed in "Business Today 500 "- November 2011 issue
- TBVF follows either the ownership or franchise route to enhance its presence in the country. Though the preferred strategy for the Company is the ownership model, Company is looking to expand its HI FI format gyms largely through the franchise route.
- Consistent financial performance; achieved 6Yr CAGR(FY'05-11) of 58.17% in Income from Operations, 63.44% in EBITDA & 93.38% in PAT.
- Talwalkars being the market leader in the Indian Fitness Industry, it is a provider of total health and fitness solutions ranging from weight loss consultation to nutrition counseling and behavior modification.

Growth Path

Talwalkars Better Value Fitness Ltd

Health Club & Gym Rollout*



*Note : In addition to current 107 health clubs & gyms, it also owns 6 additional clubs in a minority JV with a mall based chain.

With a formidable network of over 100 outlets, Talwalkar's mission to promote "fitness for all" has gathered momentum.

Geographic Spread

Talwalkars Better Value Fitness Ltd

Map not to scale

• cities in red highlight more than one health clubs

Talwalkars - footprint Pan India

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Talwalkars Better Value Fitness Ltd

Business Strategy

- TBVF is growing in metro and mini metro towns where the expansion is continuing apace. Presently, TBVF has marked its presence in 56 cities with 107 gyms .

- The company will continue to grow in the top 12 towns of India by expanding its multiple health clubs in those metro cities. Along with this ,it will rapidly expand into newer towns of between 7-15 lac population. HI FI will separately create a nation wide imprint through its franchise network of towns between 3- 7 lac population, alongwith pockets in the bigger towns.

- The Company's strategy is to expand PAN India through its following models :

  - ✓ Ownership Model : TBVF owns 100% of the health club.

  - ✓ Franchisee Model : HIFI - TBVF franchise model .- for smaller towns with lower capex.

  - ✓ This enables the company to grow at a faster rate , by conserving its capital. However, these franchisee will get full support from TBVF with regards to the set-up of gym, equipments, trainers etc. The company offers a turnkey solution to its franchise partners for setting up the health club. The franchise agreement entered ensures quality supervision of gym equipments, trainers, ambience etc by TBVF.

Business Strategy

➢**Subsidiaries Model :**

✓TBVF enters into a agreement with a master franchise , wherein TBVF owns 51 % equity and the brand.

✓The master franchise is responsible for management on a day to day basis with support received by the company in terms of quality control, staff training etc.

✓ This helps the subsidiary company to expand into newer towns and has a salutary impact on the company's ROE and ROCE , due to efficient capital utilisation .

✓The company has a right to buyback the equity of this subsidiary company at a pre determined EV multiple , at any time it so chooses based on either quality slippage , for consolidation or for any other reasons.

✓Thus the focus of the company should be on consolidation of finance and resultant effects therein.

Way Forward

Talwalkars Better Value Fitness Ltd

- HIFI is making its way in creating its impact on Tier II & III cities . In addition to the favorable demand scenario, Tier 2 and Tier 3 cities have lower operating costs primarily due to cheaper real estate prices.

- After the overwhelming response of the first HIFI in Pune (Shukrwar Peth), two new HIFI gyms were opened in Faridabad and Jaipur (Rajapark).

- The affordability factor of a HI FI gym membership would open up this large market for the company.

- There are several suburbs/pockets in cities, which are attractive markets for the company but not large enough to sustain a full-service Talwalkars health club.

- With a small sized format, HI FI gyms can be rolled out in 8-10 weeks, against 14-16 weeks for a typical Talwalkars health club.

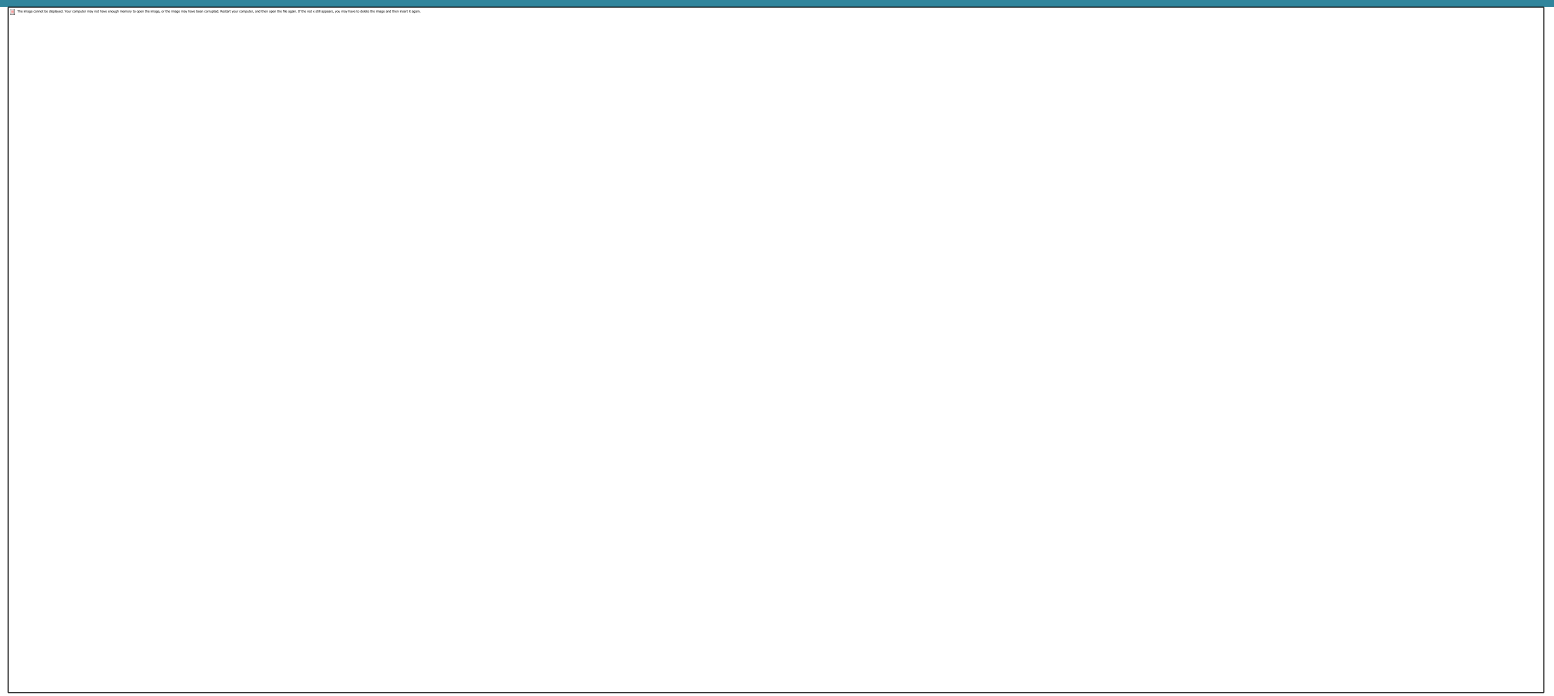
Ichalkaranji, a bustling and prosperous town i.e. 30 km from Kolhapur is the next HI FI city

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Talwalkars Better Value Fitness Ltd

Talwalkars August Scheme



To commemorate the special occasion, of Talwalkars celebrating its presence in more than 50 cities and over 100 centres, for the first time, customers were given the freedom to decide on the level of discount he or she wants depending upon the package they choose.

Path breaking success : Retention Rate is at high due to a consistent focus on quality

Innovation at its best ‘Losers Challenge’



Losers challenge is a 45 day weight loss challenge program

It aims at motivating members to shed extra pounds in the shortest duration possible.

Each participant is given a thorough fitness assessment, personalized exercise and nutrition program.

The challenge begins on 7th November and will end on 22nd December 2011.

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Talwalkars Better Value Fitness Ltd

Notes

Notes

1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14th November, 2011.

2 The Statutory Auditors have carried out a limited review of the results for the quarter ended 30th September, 2011.

3 The above financial results are in accordance with the accounting policies followed by the Company in preparation of its statutory accounts.

4 Consolidated financial results have been prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" and Accounting Standard 23 - "Accounting for Investment in Associates in Consolidated Financial Statements".

5There are no separate reportable segments as per Accounting Standards (AS–17) – Segment Reporting.

6The Company has started 5 health clubs and gyms under Talwalkars and HiFi brands between 13th August, 2011 and 14th November, 2011 on a consolidated basis. These are in Allahabad, Deheradun, Jaipur (Rajapark), Solapur and Ulhasnagar. The Company now has 107 health clubs and gyms in 56 cities across India.

7Status of Investors complaints for the Quarter ended 30th September, 2011:

Opening	Received	Disposed off	Pending
NIL	2	2	NIL

8The Consolidated results includes the financial results of the subsidiaries Aspire Fitness Private Limited, Denovo Enterprises Private Limited and Equinox Wellness Private Limited.

9Information of Standalone Accounts as per Clause 41 of Listing Agreement.

Particulars	Quarter ended	Half Year ended	Year ended
	30.09.2011	30.09.2011	31.03.2011
	Unaudited	Unaudited	Audited
Turnover	**3,834.65**	**5,851.93**	**8,652.04**
Profit before Tax	**1,170.66**	**1,387.79**	**2,231.77**
Profit after Tax	**795.25**	**968.96**	**1,522.69**

10The Company has opted to publish only the Consolidated financial results. The standalone results of the Company will be available for Investors at www.talwalkars.net, www.nseindia.com and www.bseindia.com.

11The figures for the corresponding period in the previous year are not strictly comparable as Aspire Fitness Private Limited, Denovo Enterprises Private Limited and Equinox Wellness Private Limited became subsidiaries of the company in quarter ended December 2010

12Figures of previous quarter have been regrouped / rearranged wherever necessary.

Percentile Growth on consolidated basis

Talwalkars Better Value Fitness Ltd

Particulars	% increase over Q2 2010
Income:	**33%**
Expenditure:	
Personnel Cost	35%
Administrative and other expenses	27%
Selling & Marketing Cost	84%
Service Tax Collected & Paid	32%
Total	**35%**
Profit before Interest, Depreciation, Extraordinary Items & Taxes (1-2)	**28%**
Finance Cost	8%
Profit before Depreciation, Extraordinary Items & Taxes (3-4)	**31%**
Depreciation / Amortisation	34%
Profit before Tax (7+8)	**31%**
Profit After Tax for the period (9-10)	**48%**

Financial Highlights – on a consolidated basis

Talwalkars Better Value Fitness Ltd

- The consolidated revenue for Q2 has increased by 33% over Q2 - FY 2010-11.
- An Aggressive marketing campaign has resulted in the increased marketing costs from 4% to 6% of Sales. Several marketing initiatives like “Tone Master”, “Losers Challenge” etc were launched during this Quarter, which have directly contributed to volume growth.
- Administrative and other expenses have gone down by 100 bps on a consolidated y-o-y basis due to spreading of central costs over larger number of health clubs.
- The consolidated EBDITA to sales for Q2 2011 is 42.3% as against 43.65% for Q2 2010, a marginal reduction of 135 bps.
- Financial cost has been essentially controlled and has gone down by 6% on a standalone on account of proper utilization of Treasury and decreased dependence on debt finance.
- The PAT has gone up to 21% of sales ,that is an increase of 200bps as against 19% for Q2 2010
- TBVF is in negotiations with the foreign manufacturers providing the equipments to reduce the rates so as to nullify the impact of the increase in the value of $ vis-à-vis INR which can increase the capital cost on an overall basis by 3-5%.

Financial Highlights – on a consolidated basis

Talwalkars Better Value Fitness Ltd

Treasury Management :

- Separately the company continues to maintain a treasury on which the Company earns the attractive yield. The treasury is in the form of Bank FD'S and Liquid Mutual Funds.
- Net of treasury , the Company's Debt Equity ratio continues to be 0.7 :1.
- The well planned treasury management has offset the increasing interest cost in such a high interest regime.

Debtors :

- In line of expectation, the debtors have also come down. These debtors are constituted of corporate and institutional sales and are fully recoverable on an ongoing basis. TBVF has not taken any Working Capital for the purpose of the Debtors.

Impact of Seasonal Nature

Talwalkars Better Value Fitness Ltd

- As we have always mentioned TBVF's performance needs to be compared on a y-o-y basis given the significant seasonality in its business operations

- Q1 & Q3 are similar quarters in terms of being subdued , resulting in lesser number of new membership, given the following reasons :
  - ✓April – May being school vacations, people have packed their bags off to places whereas June is the start of the monsoon season .
  - ✓ Oct – Dec is a festive season starting from Ganesh Chaturthi folllwed by Navratri, Durga Pooja ,Diwali etc and ending with Christmas/new year.

  These two quarters makes it difficult to get new memberships and further it also hampers the usage of auxiliary activities. TBVF is taking several efforts to reduce seasonality including diversification into less seasonal activities like spa treatments, discounts during marriage season, short-term health club membership etc. Some of TBVF's marketing initiatives have been carved out in the previous few slides

- Q2 does well both in terms of volume and value . During this Quarter , TBVF launches its august scheme of the year called "August scheme" wherein various discounts are offered for renewal as well as for new member enrolment. This scheme has proven to be a big hit in all the years.

- Q4 , a quarter with a pleasant climate and also the start of New Year encourages people to join gyms and lose those excess kilos put on during the festive season.

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Talwalkars Better Value Fitness Ltd

Outlook

- TBVF has expanded its footprint on a all India basis , with its 107 Health clubs in 56 cities.
- In the Health & Fitness Industry, TBVF continues to be the leader the Indian market.
- The Company's marketing initiatives has earned an excellent response - 3,800 members enrolled, on the launch of the Kiloburner scheme in a lean period.
- The Annual August scheme was a major success, maintaining our retention rate of members and with new enrollments of 7000 -7500 members across all cities.
- Expand offerings/ merchandising to reach a larger audience.
- The Company has shown a robust increase in Turnover and profitability on an annualized basis commensurate to its existing growth pattern. The Company expects to maintain the margins in the current year both at EBIDTA and PAT level.

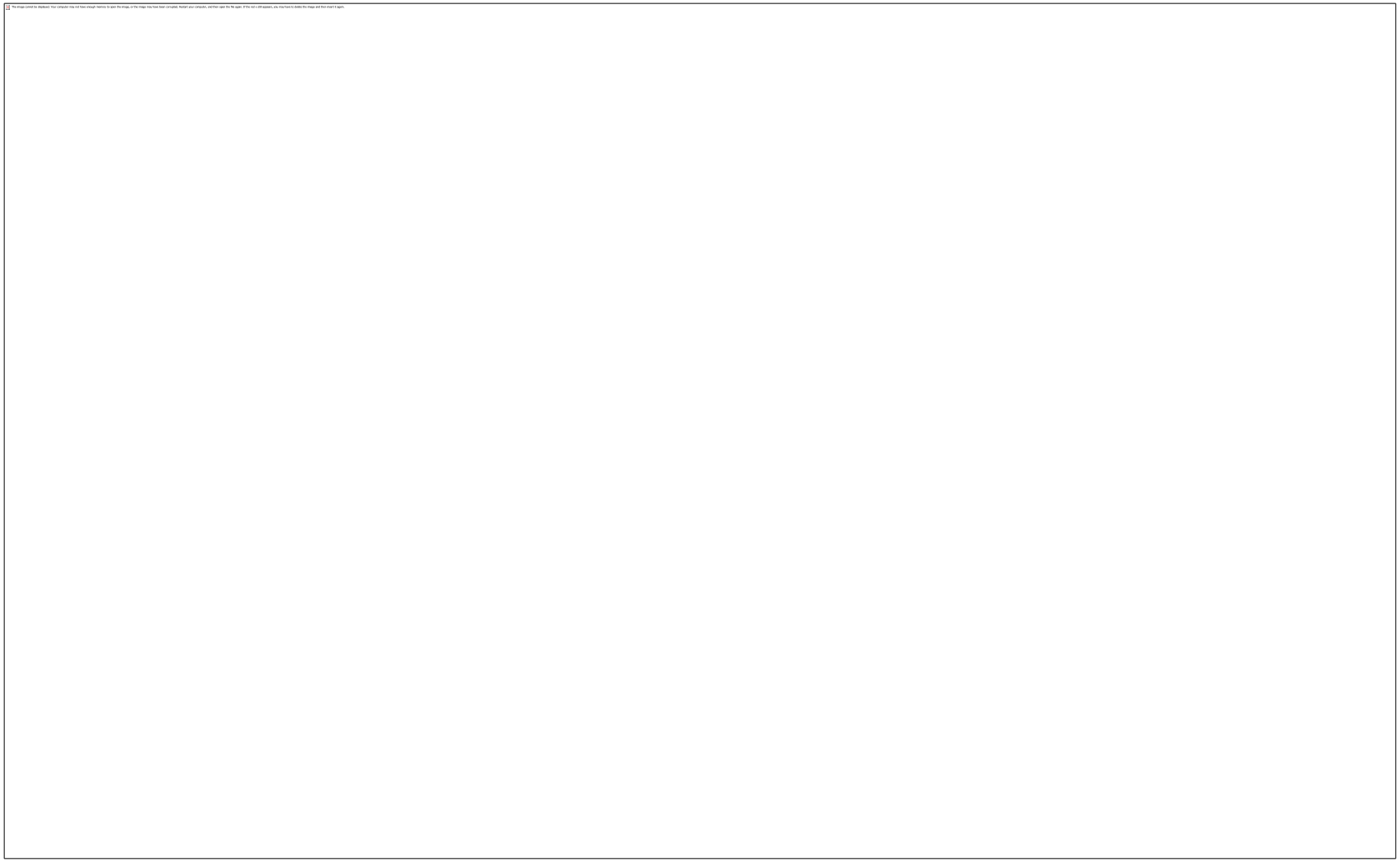
Outlook

- Over the next six months , Talwalkars will open 23-25 health clubs & gyms together under both formats i.e. Talwalkars & HIFI in line with its earlier projections in 11-12 towns all across India. These towns are similar to towns like Allahabad wherein the population ranges from 7 to 15 lacs. A significant amount of these gyms will open in Jan- March Qtr.

- The Talwalkars Sholapur gym , opened recently in Oct 2011 , is the classic example of the robustness of the Tier II cities by enrolling 350 members in just 9 days of its inauguration.

- This exemplifies the philosophy of the company , of growing opportunities in the mid level cities of India !

India’s Most Valuable Companies



Talwalkars Better Value Fitness Ltd

THANK YOU

