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

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Date: 7th May, 2015

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.

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, 2015**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 31st March, 2015.

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

Thanking You.

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

TALWALKARS BETTER VALUE FITNESS LTD. MUMBAI

Avanti Sankav
Company Secretary & Compliance Officer

CONSOLIDATION!

TALWALKARS BETTER VALUE FITNESS LIMITED



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QUARTERLY UPDATE
(Q4 FY2014-15) -7th May,2015

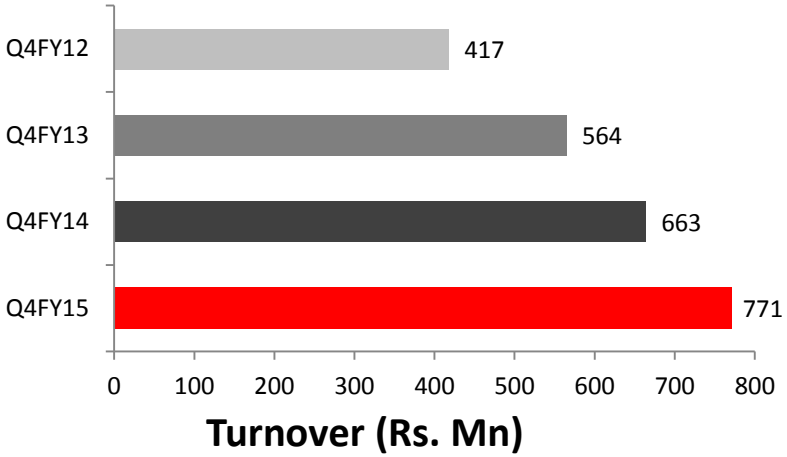
DISCUSSION POINTS



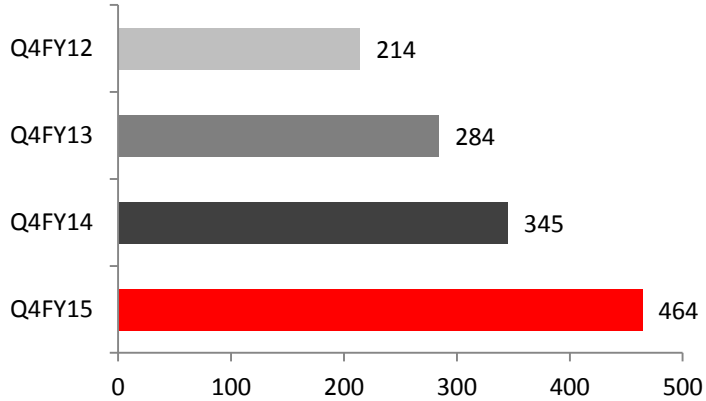
- FINANCIAL SUMMARY
- PAN-INDIA FOOTPRINT
- CORE DEVELOPMENTS OF THE QUARTER
- KEY MARKETING HIGHLIGHTS
- HIGHLIGHTS OF THE YEAR
- RESULTS UPDATE
- GOING FORWARD
- ABOUT TALWALKARS

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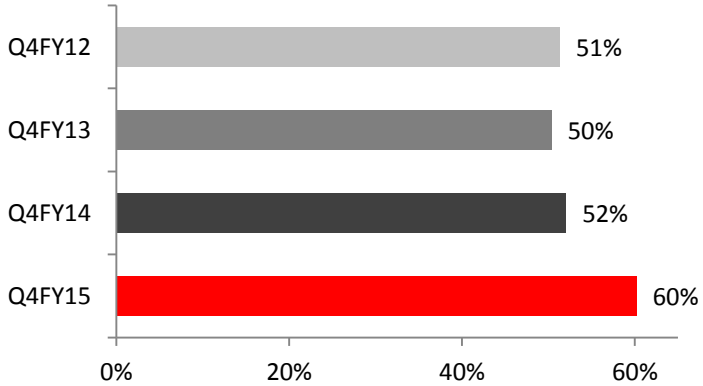
FINANCIAL SUMMARY



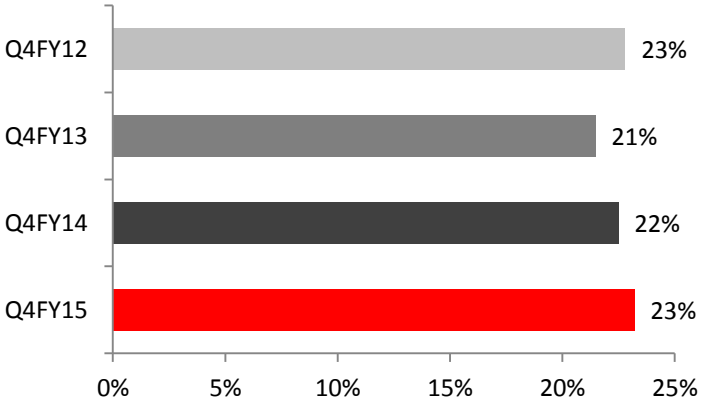
Turnover (Rs. Mn)



EBIDTA (Rs. Mn)



EBIDTA %



PAT %

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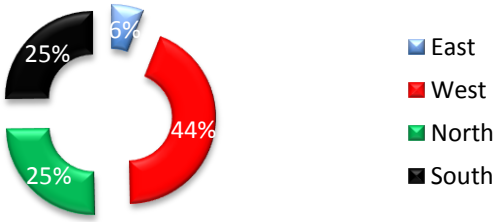
OUR FOOTPRINT

Multi – Format Asset Ownership

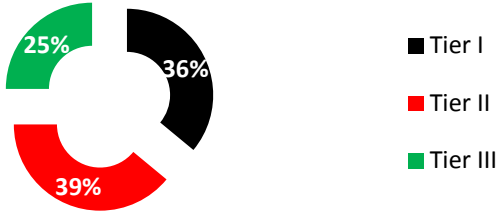
As on 31.03.2015

Talwalkar's	Fitness Centers
Owned	103
Subsidiary	14
Franchise	15
HiFi	18
TOTAL	**150**

Regional Divide



Demographic Divide



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PAN- INDIA FOOTPRINT

Pune – 10

Hyderabad - 7

Chennai - 6

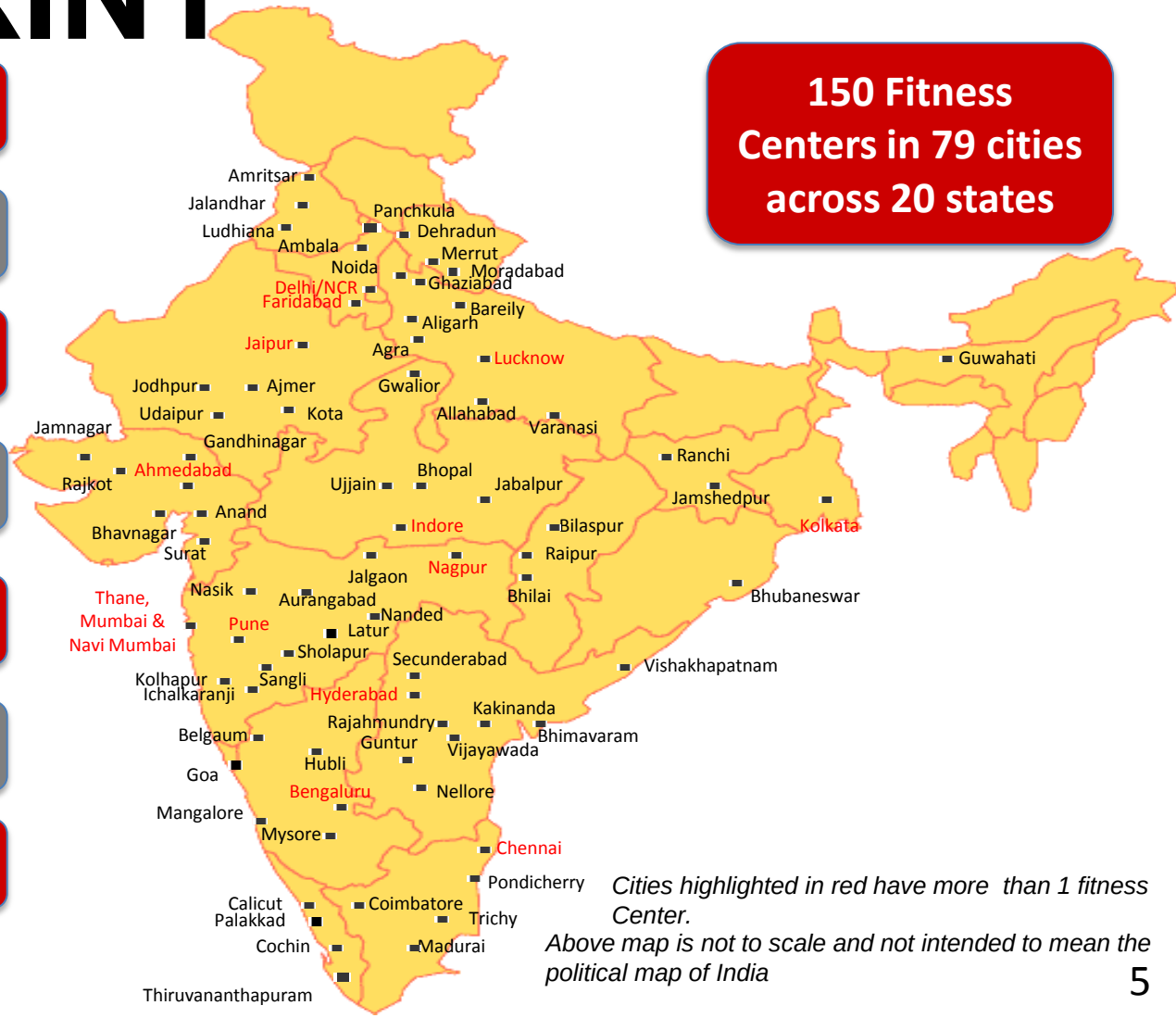
Bengaluru -5

Ahmedabad – 5

Jaipur - 5

Kolkatta – 4

150 Fitness Centers in 79 cities across 20 states



Cities highlighted in red have more than 1 fitness Center.

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

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CORE TALKING POINTS THIS QUARTER

- Core revenue growth of gym business continue to be stable yielding a SSS growth of 9-10%.
- Increased quarterly revenues leveraging value-added services like Reduce and Transform under weight loss program
- Integrated NuForm as a part of fitness center, as a value-additive measure and expect to install NuForm equipments across 40-42 locations by the first quarter of FY16.
- Shifted two gyms from owned to franchise mode, driving operational efficiency and scalability.

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CORE TALKING POINTS THIS QUARTER *(contd…)*

- Identified ~300-500 square feet of **unused area** in 46-48 gyms for providing free-floor exercises, conducting weight-loss programmes, among others thereby **increasing revenues and SSS**
- Moderated monthly rentals of several gyms by as much as Rs.75,000-100,000 p.m after prolonged negotiations.
- Consequently re-engaged in rigorous negotiations with new potential landlords for prospective gym locations, which resulted into rentals that are almost 20-25% below from the values quoted in Nov- Dec-2014. This has delayed some of the gym openings.

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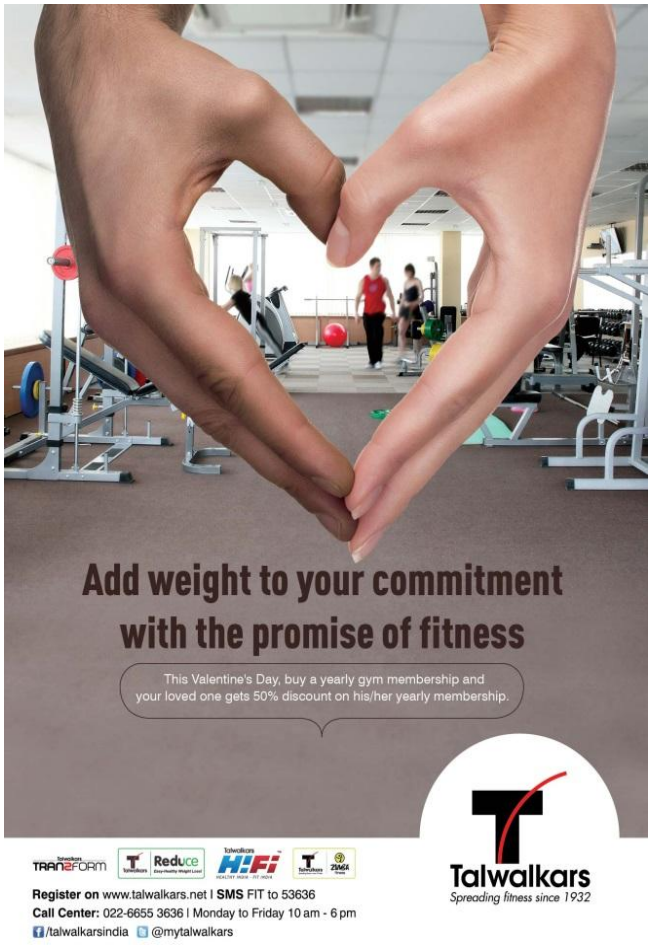
KEY MARKETING HIGHLIGHTS

- Initiated the new year (2015) scheme comprising three months of free weight loss or CHCF membership on purchase of a three membership (weight loss of CHCF)
- Launched the Valentine's Day scheme (running from 14-20 February 2015) with a 50% discount on annual membership offered for purchase of a yearly membership
- As a gesture of respect to women on Women's Day, Talwalkars offered women 30% off on yearly membership (duration from 6-10 March 2015)

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MARKETING SCHEMES





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HIGHLIGHTS OF THE YEAR

- Conscious efforts were undertaken to drive profitability across the system through active marketing of value added programs
- During the year the Company undertook all the revamping, refurbishment in the existing centers to equip Nuform Equipment, enabling the Company to introduce Transform in all its centers.
- Banjara Hills, a premium gym was opened in Hyderabad during the year. It is one of the biggest gym in South India. This gym was able to successfully charge ₹30-33'000 for annual gym membership in comparison to ₹18-20'000 in other gyms in Hyderabad.
- The Company has utilised ₹ 225 mn of debt for the purchase of the land and appurtenant expenses for setting up of the club.

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RESULT UPDATE

Consolidated Results

Particulars	Quarter ended			Full Year ended		
₹ in mn	**31.03.2015 (Unaudited)**	31.03.2014 (Unaudited)		**31.03.2015 (Audited)**	31.03.2014 (Audited)	
Sales	**771**	663	16%	**2534**	2105	20%
EBITDA	**464**	345	34%	**1254**	938	34%
PAT*	**179**	149	20%	**461**	366	26%

* PAT after Minority Interest

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RESULT UPDATE

Consolidated Results

Robust income growth, increased EBIDTA margins at **49% y-o-y** on account of Value Added Services

Personnel Cost has lowered in this Qtr as last qtr included incentives paid for the new gyms opened in that year and the year previous to it

Blended Cost of Finance has gone down by 250 basis points.

Depreciation accelerated on key assets as the Company continues to provide higher depreciation.

Full Tax Rate is applicable as the MAT cover has exhausted.

PAT margin at **18 % y-o-y**

EPS for year stood at **17.60** vs. 13.98 previous year

Particulars (₹ mn)	Quarter ended			Year ended		
	Mar 15	Mar 14	YoY%	Mar 15	Mar 14	YoY%
Income from Operations	768	659	17%	2526	2095	21%
Other Income	3	4		9	11	
Total	**771**	**663**	**16%**	**2534**	**2105**	**20%**
Expenditure						
Personal Cost	69	93	-26%	369	359	3%
Admin & Other Exp	156	154	1%	642	587	9%
Service Tax Collected & Paid	82	70	17%	269	222	21%
Total	**307**	**317**	**-3%**	**1280**	**1167**	**10%**
EBITDA	**464**	**345**	**34%**	**1254**	**938**	**34%**
Depreciation	105	45	133%	397	242	64%
EBIT	359	300	20%	857	696	23%
Interest	21	37	-43%	128	120	7%
PBT	**338**	**263**	**29%**	**729**	**576**	**27%**
Tax	167	108	55%	245	178	38%
PAT before Minority Interest	171	155	10%	484	398	22%
Minority Interest	-8	6		23	32	-28%
PAT after Minority Interest	**179**	**149**	**20%**	**461**	**366**	**26%**

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RESULT UPDATE

Increase in Shareholders fund on the back of profits

Short term borrowings were nullified during the year

Asset Accretion is lower than last year

Over the years Trade receivables as % of Turnover have reduced on account of various strategies undertaken

Net Debt /Equity at **0.74**

ROE at **16.60** vs. 15.2 last year

Particulars (₹ mn)	As on	
	Mar 15	Mar 14
EQUITY AND LIABILITIES		
Shareholders' Funds	**2767**	**2403**
Minority Interest	136	113
Capital Reserve on consolidation	2	2
Non-current Liabilities	**3043**	**1742**
Current Liabilities	716	997
Total Equity & Liabilities	**6664**	**5257**
ASSETS		
Non-current assets		
Fixed Assets	5213	4505
Non-current investment	50	88
Long-term loans and advance	300	242
Other non-current Assets	2	2
Total Non-current Assets	**5565**	**4836**
Current Assets		
Current Investments	0	0
Inventories	0	1
Sundry Debtors	341	320
Cash & Bank Balance	466	60
Short-term loans and advances	292	39
Total Current Assets	**1099**	**421**
Total Assets	**6664**	**5257**

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FINANCIAL ANALYSIS

- **DEBT**

  SHORT TERM BORROWING of ₹ 307.54 mn was repaid in full during the year.

  LONG TERM BORROWING

  The Company's entire banking is shifted to State Bank of India (SBI) enabling reduction in ROI across the board by 250 bps thus providing enduring benefits to the Company.

  The overall impact of the above has enabled the company to reduce the interest cost and manage its debt efficiently.

  The Company's Standalone Net Debt (Gross Debt – Treasury) has gone up by ~ ₹ 100 mn only. Current year Debt includes ₹ 225 mn borrowed for club purpose.

  The Company has managed to receive AA- rating from 2 credit rating agencies being ICRA and CARE.

- **CASH AND CASH EQUIVALENTS**

  With an overall increase in the top line , Cash and Cash Equivalents stood at ₹ 466 mn, mostly in the form of Bank Fixed Deposits.

  The Collective market Value of the Immovable properties is in excess of ₹1000mn and appear in the books at about ₹ 300mn

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GOING AHEAD

- We believe that the tough operating environment is slowly bottoming out following a healthy GDP growth of 7.5% during the last quarter of FY15
- We intend to broaden the share of value-added services, restart the expansion process, acquire quality local gyms/fitness centers and maintain our **leadership position in the health and fitness segment**
- Aim to shift existing Nuform equipment in standalone studios to nearby fitness center, reducing operating costs
- Five more HiFi outlets are slated to open during May-June 2015 in Ahmadnagar, Patna, Pune and Thane, **indicating brand traction**
- Second premium gym is slated to open in Churchgate by mid May-2015
- Improve **same store sales growth**

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ABOUT TALWALKARS (TBVFL)

- India’s largest - and only listed - fitness chain
- 150 centres across 79 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® (aerobics and Latin dance-inspired fitness programme), Transform (holistic fitness programme), Reduce (diet-based, easy diet programme), NuForm (time-efficient weight loss programme), spa, massage, aerobics and yoga
- Two fitness centre formats of Talwalkars and HiFi

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AWARDS AND ACCOLADES

- Ranked 261st among the '500 Fastest Growing Mid-Sized Companies in India' by Inc. India
- Listed among the top-100 Indian mid-sized companies with innovative business practices by Inc. India
- Recognized in the 'Best under a Billion' list of 200 companies by Forbes Asia (August 2013)
- Prashant Talwalkar, CEO and MD, Talwalkars Better Value Fitness Limited, has been selected among the 'Top-30 innovative CEOs of the country' by Inc. India magazine

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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 statements.

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CONTACT INFORMATION

ANANT GAWANDE
Promoter Director, CFO
anantg@talwalkars.net
+91 22 6612 6300

GRISHMA SHETTY
Manager - Investor Relations
grishmas@talwalkars.net
+91 22 66126344/+91 9820202399

Visit us at: www.talwalkars.net

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