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: 6th August, 2015

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, 2015.**

We are enclosing herewith the updates on the Financial Results for the quarter ended as on 30th June, 2015.

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
Spreading fitness in over 70 cities



TALWALKARS BETTER VALUE FITNESS LIMITED | QUARTERLY UPDATE (Q1 FY2015-16)

6th August,2015

DISCUSSION
POINTS



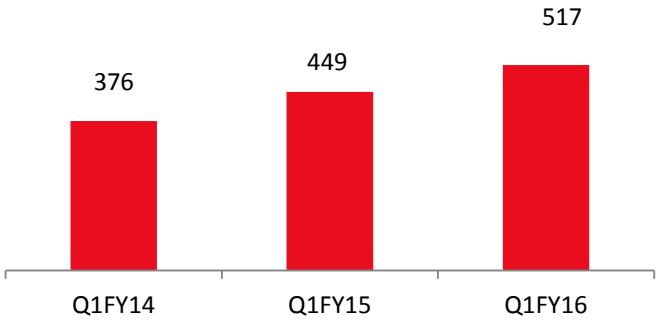
- **FINANCIAL SUMMARY**
- **PAN-INDIA FOOTPRINT**
- **CORE DEVELOPMENTS OF THE QUARTER**
- **KEY MARKETING HIGHLIGHTS**
- **RESULTS UPDATE**
- **GOING FORWARD**
- **ABOUT TALWALKARS**

FINANCIAL SUMMARY

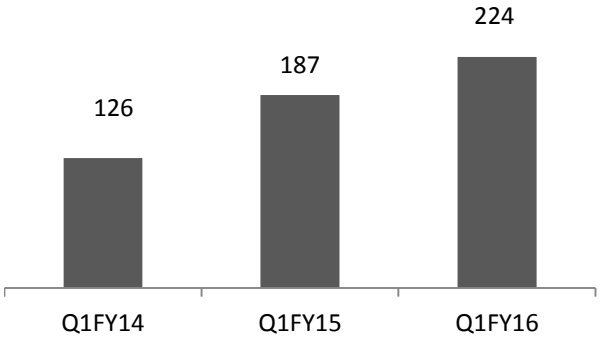


₹ in mn

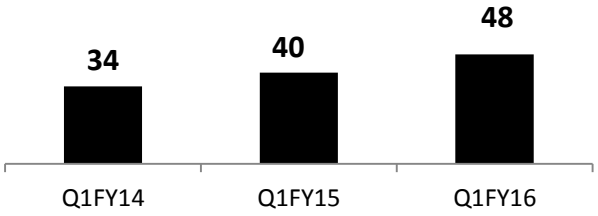
Revenue



EBITDA



PAT (after minority interest)



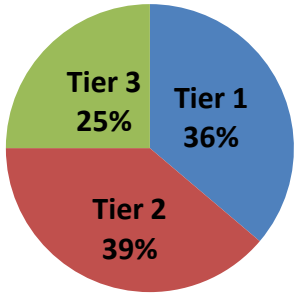
OUR
FOOTPRINT



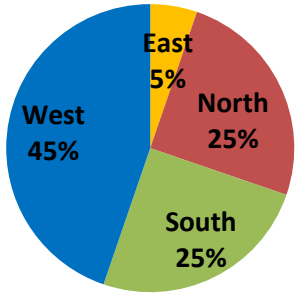
The Company has 152 fitness centres spread across 80 cities covering 21 states of India.

Owned	104
Subsidiary	14
Franchised and Licensed	15
HiFi	19
Total	152

Geographic Divide

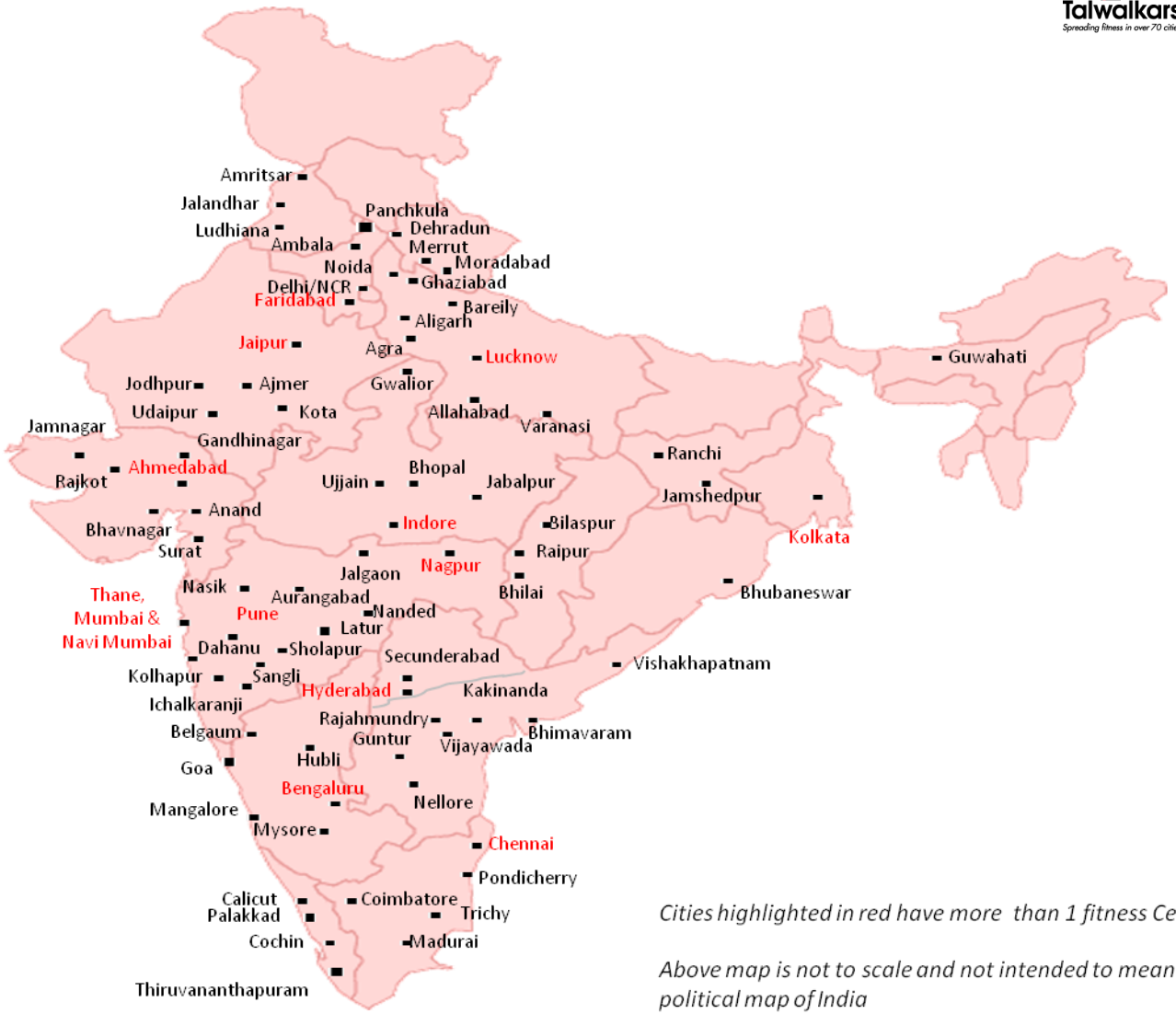


Regional Divide



OUR FOOTPRINT





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

The Company has 152 fitness centres spread across 80 cities covering 21 states of India

CORE TALKING POINT OF THE **QUARTER**



- Two gyms launched , 1 HiFi (Dahanu) and 1 Premium Fitness Centre (Churchgate)
- This is the Company's second premium fitness center. and Offering
  - All value-added services including Transform, Reduce and TRX with a large free floor activities space
  - Facilities like a fully-equipped cardio section and a dedicated strength and weight training zone
  - Superior member experience and full-fledged training and support
  - These centers are equipped with Wi-Fi, coffee, juice and snack bar and valet parking services
  - Internationally-qualified fitness trainers and dedicated nutrition experts customize programs to help members achieve their fitness goals

CORE TALKING POINT OF THE **QUARTER**



- Announced the intention to create a JV with David Lloyd Leisure (DLL) that envisages the development of 7-10 clubs across India, aimed at tapping into the country's growing demand for sports and leisure facilities
- Core revenue growth of gym business continue to be stable yielding a SSS growth of 9.5-10%.
- Successfully completed QIP and raised Rs 1074.81 mn that is targeted to be utilised for:
  - Setting up new fitness centers
  - Setting up leisure clubs
  - Upgrade existing gyms to integrate the value-added services like Transform program
  - Market the Reduce brand through retail channels/ formats

CLUB STATUS

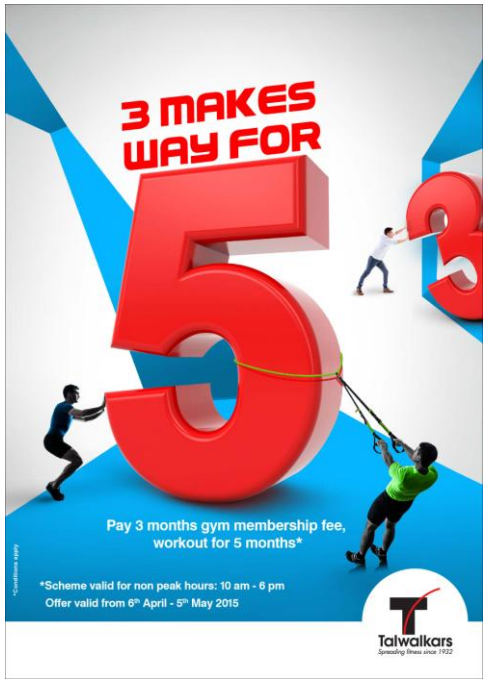


- TBVF has assured an investment of only Rs 50 cr in this venture. Further investment will be looked upon only after the opening of the first club and its success being measured upon by its profitability, cashflows and the return ratios
- The Company has purchased a land parcel in Wakkad,Pune during the last fiscal
- The Bank has already sanctioned 50 cr for the said club
- Currently the revised architectural plans in consortium with DLL has been submitted to the municipal authorities for clearances, which is expected to be received towards mid-August .
- Post the clearances, it will take 9-10 months for club project to be operational
- The Company expects the club to start accepting the membership in Q1FY17

KEY MARKETING **HIGHLIGHTS**



- Launched Talwalkars one month fitness recharge programme at an attractive enrollment rate to get customers into our gyms
- Launched a value fitness scheme under which customers would pay for three months and enjoy enrollment for five months
- Prepared for the launch of August marketing activities





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

SEASONALITY **IMPACT**



Qtr	Period	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	↑

- Effect of seasonality evident in quarterly financials
- Numbers also impacted because of the monsoons more than expected in June,2015

Consolidated Results

RESULT
UPDATE



₹ in mn

Particulars	Quarter ended		
	30.06.2015 (Unaudited)	30.06.2014 (Unaudited)	
Sales	517	449	15%
EBITDA	224	187	20%
PAT*	48	40	18%

* PAT after Minority Interest

Consolidated Results

RESULT
UPDATE



EBIDTA margins stood at 43%

Judicious Treasury Management has resulted in increase in Interest Income .

Administration Expenditure at similar levels as % of sales

Reduced Personnel Cost by 200bps % indicating the increased productivity per employee

Shifting to State Bank of India has resulted in reduction of 250-300 bps

Particulars (₹ mn)	Quarter Ended		
	June 15	**June 14**	**YoY%**
Income from Operations	507	447	13%
Other Income	10	1	
Total	517	449	**15%**
Expenditure			
Personnel Cost	83	81	2%
Admin & Other Exp	152	133	14%
Service Tax Collected & Paid	58	47	23%
Total	293	262	**12%**
EBITDA	224	187	**20%**
Depreciation	131	98	34%
EBIT	93	88	6%
Interest	32	38	-17%
PBT	61	50	**21%**
Tax	11	6	71%
PAT before Minority Interest	50	44	14%
Minority Interest	2	3	
PAT after Minority Interest	48	40	18%

DEPRECIATION
POLICY



Depreciation on all fixed assets are provided as prescribed by the Companies Act,2013.

Equipments
AMC/Warranty

- The company has entered in to long term AMC/Warranty with the suppliers, which helps in enhancing the life of the asset.
- The company enjoys comprehensive warranty for 3 yrs extendable up to 9 yrs from the supplier. While the asset is under warranty, if there is any frequent repair of the machine or any part or breakdown, the same is replaced by the supplier free of cost.
- Usually at the end of 5-6yr the equipment are refurbished (at a pre-determined price) with extended AMC/warranty which increases the life of the equipment up to 10-12yrs.
- The free-weight and strength equipment technically have additional life as they do not have any electronic circuit or motor. A nominal cost is incurred for fixing the normal wear –tear.

DEPRECIATION POLICY



- The company avails the discount on bulk purchases in the form free extra equipment (alongwith long term AMC/Warranty) which are kept separately in the warehouse. These free equipments can be valued at 10-15% of annual purchase consideration

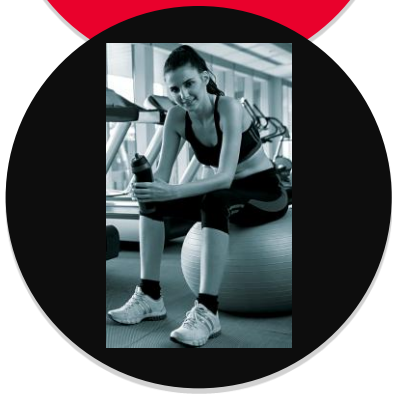
- The company also has buy-back arrangements with some suppliers which help in reducing the cost of replacement. Also the company has the facility with the suppliers to upgrade the gym equipment by paying only the incremental cost

- In case of a breakdown or change of any old equipment that is not covered by an AMC/Warranty is required, the same can be replaced through the stock of equipment

- At the end of 9-10yrs the company replaces the Cardio equipments. Further, at the end of 6-7th yr the Company does the renovation of the gym by spending 10-15% of original capex and another renovation at the end of 9-10 yr by spending 15- 20% of the original capex to keep the gym looking new and updated

The Company's depreciation policy takes into effect all of the above subsets .

GOING
AHEAD



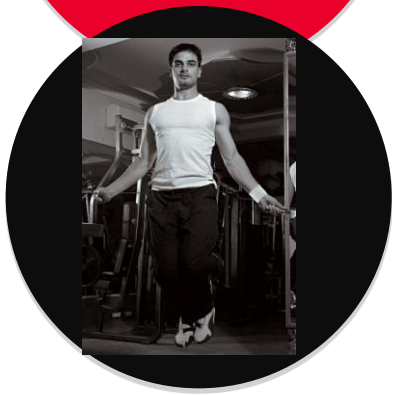
- Launch gyms with accelerating momentum in line with economic optimism and growing awareness for fitness in the country.
  - HiFi in Ahmednagar launched in July 2015
  - Talwalkars franchise in Indore launched in July 2015
  - Talwalkars Franchise in Vapi will be launched in August 2015
- Focus on the full-fledged August scheme for enhancing enrollment across our fitness centres

ABOUT TALWALKARS **(TBVFL)**



- India’s largest - and only listed - fitness chain
- 152 centres across 80 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

AWARDS AND ACCOLADES



- **Talwalkars** has been recognised in the ‘Best under a Billion’ list of 200 companies by *Forbes Asia* in August 2013 – ‘Talwalkars sells punishment and gets India in shape’
- **Recognised** in Inc. India under ‘500 The Fastest Growing Mid-Sized Companies in India’, September 2013. Talwalkars ranked 261 of 500 companies
- **Featured** among the top-10 fastest growing companies in the Inc. India list of 500 companies
- **Recognised** in Inc. India Innovative 100 – recognition of 100 most innovative mid-sized companies in India, December 2013
- Prashant Talwalkar, Managing Director and CEO, selected in the prestigious **‘Top-30 Innovative CEOs’** by *Inc. India* magazine October - November 2014

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.

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