

Talwalkars

TM

HIFI

HEALTHY INDIA · FIT INDIA



**WEALTH
IS HEALTH**

A PROPOSAL

Today, lifestyles have changed, both in metros and emerging towns and cities. With an increased consciousness to look and feel good, to be seen and heard, and a new reality... the stars of today are from the emerging India.

Just look at the growing number of beauty salons, spas, health clubs, beauty products and supplements and popularity of entertainment, sports, mass media and reality television. Fitness too is no longer an indulgence of a few.



WEALTH IS HEALTH

No wonder that, the organized gym business is valued at Rs. 800crs growing at a Compound Annual Growth Rate (CAGR) of 12%pa* (higher than the national GDP)

THE FUTURE OF HEALTH AND FITNESS IS IMMENSE AND WILL BE DRIVEN BY THE EMERGING NEW INDIA

Besides, our years of study and experience led to an opportunity to create a new health and fitness offering for Real India.

Not a downgrade of the metro gym, but a completely new experience...at great value.

And 330 potential cities to create community fitness centres and grow this number as the GDP rises.

*As per 2010 report in economic time

YOUNG & EMERGING INDIA

YOUNG AND WEALTHY

One of the oldest nations in the world is probably the youngest. With over 60% of India's population under the age of 30. Growing steadily at over 8% pa. Rising population, increasing incomes and higher disposable income.....have led to the emergence of a new consuming class.

The growing new Indian middle class who add up to 80 million households today.

Making India one of the largest consumer nations in the world.



80 MILLION HOUSEHOLDS WITH OVER 60% UNDER THE AGE OF 30 WITH HIGH DISPOSABLE INCOMES

...WHERE ARE THEY LIKELY TO SPEND?

EMERGING INDIA

There is a new India out there. Out of 80 million middle class households, 55 million (69%) reside in Tier II and Tier III cities. Tier II and Tier III cities also account for 70% of total consumption in India. This is the Real India, with new dreams, aspirations, wants, needs; it seeks change and a lot more value. By 2038, 68 cities will have a population of over 1 million each. Today, the number is 42. Europe has only 35 today. There will be 91 million middle class households. This will significantly drive consumption across all categories. Now imagine a GDP growing at over 8%, of which services account for 55%. This becomes the new avenue of consumption in emerging India."

TIER II INDIA: THE NEW AVENUE OF CONSUMPTION

GAIN FROM HEALTH

-TALWALKARS



Talwalkars presents “Talwalkars HiFi” an opportunity for assured returns and low investments custom designed for Tier I II and III towns and catchment areas of metro cities and suitable for population between 2 – 8 lacs

A business model developed to offer ROI in excess of 35% and a payback period of 2 to 3 years. Its backed by a very rigorous & passionate approach to delivering fitness to every Indian in our cause to make health & fitness an integral part of every Indian



HiFi is developed in three formats to suit different towns:

Club Type	Population (In lacs)	Town	Investment (In Rs.lacs)	Area (In Sq. Ft.)
Type I	2 – 3	Tier III	55 – 65	1500
Type II	4 – 7	Tier II	65 – 75	2000
Type III	> 8	Tier I & Metro's	85 – 95	2500

The above information is indicative only. The above capex covers all licensee fee, interiors, equipment, initial marketing outlay, investment in technology and training etc. Royalty is 6% first 3 years of gross revenue (net of service tax) and subsequently 8%.

HIFI	Type III year 1	Type II year 1	Type I year 1
Income*	10500000	7250000	5000000
Total expenses	6000000	4200000	2900000
Royalty	630000	435000	300000
Ebidta	3870000	2615000	1800000
Ebidta %	32%	34%	34%
ROI	39%	34%	35%
Payback in months	26	29	29

*ask for detailed investment break up

WEALTH OF EXPERIENCE

-TALWALKARS

IN SHORT WHAT WE WILL DO IS

- Select the location for the fitness centre
- Total interior planning and design which covers layout, zone planning, furniture, fixtures, flooring, colour scheme, graphics, mirror work, etc, all in keeping with the overall HI FI design look and feel, planning for all electrical plumbing AC tonnage and all fittings and fixtures, pre negotiated deals for great pricing for all equipment material inputs like steam units, music systems, water coolers, EPBAX etc
- Pre-negotiated deal with Precor for all cardio equipments, at beneficial pricing not available to anyone in the market, including pre-set AMC terms
- Specially designed signature line of strength equipment with lower footprint and great style and functioning exclusive only to HI FI
- Complete stationary set design
- Computerised –web based and non-web based system for management and marketing, saving you from all operational hassles
- Full SOP (standard operating procedure) manual with defined organisation structure, JDs, etc
- Staff selection support through a comprehensive recruitment system
- Full training for 2 key staff at our Mumbai centre for 3 /4 weeks and launch support from our senior operations team who will be stationed at the centre for 2 days during the launch period
- Stylishly designed uniforms for uniformity and appeal
- Main signage, all blow-ups, posters, graphics, charts, etc
- Planning of all facilities such as gym, cardio, steam, weight management, weight loss, personal training
- Fees rate card planning
- Pre launch, launch and post launch business planning and support. (You can expect to collect 30% of investment in this launch period itself!!)
- Advertisements for recruitment, pre launch, launch post launch and for all schemes as per the annual marketing calendar
- Suggestion of various scheme /ideas to increase membership via retaining members, ways to increase total revenues
- Investment recovery period 2 to 2.5 years
- On-going advice/consultation on all HR matters
- Additional income planning from pro shop and merchandising
- A full set of merchandise – designed with a comprehensive sales and support plan



How do we ensure that everyone in this new emerging consuming class is conscious about health and fitness? Can we leverage the new-found awareness and consciousness to look and feel good?

Can we make more people take up health and fitness as a part of their daily life?



FIT INDIA MOVEMENT

NOT JUST FOR INDIVIDUALS, BUT FOR THE ENTIRE COMMUNITY

NOT JUST A GYM, BUT A WAY OF LIFE

NOT JUST TO ADD MEMBERS, BUT TO CREATE A COMMUNITY

NOT JUST A BUSINESS BUT A MOVEMENT TO ASSIST, SUPPORT AND TRAIN PEOPLE CONNECTED WITH SPORTS, FITNESS AND BODY BUILDING TO DREAM, ASPIRE AND ACHIEVE



There is more to this than just business, everyone who knows Madhukar Talwalkar knows his passion for fitness. Probably no one in this industry, here or abroad can match the passion with which he has preached and practiced fitness for the last 50 years.

His vision is to make fitness accessible to everyone in India. This mission has resulted in the "Fitness Movement", an intrinsic part of HIFI's success envisaging a host of initiatives on education, information on health and fitness, public private partnerships, community building, community engagement activities for different demographics and age groups – from senior citizens, women to executive class. But more importantly creating sustainable employment and business opportunities for people connected with fitness and body building sports in the process.

Fit India movement invites all motivated and highly charged people in this industry. People who believe that they have something special to offer, and wish to make a difference by becoming a franchisee partner. Talwalkars shall support and train them across the spectrum. The mission is to not only take fitness to tier II and III towns but also to give a platform to all these individuals to dream, aspire and achieve.

As an integral part of our business model and strategy, we will consciously weave in employment and entrepreneurial opportunities for the sports, fitness and body building professionals across the country.

As part of this endeavour, we invite people to join our team as staff, faculty, or as business associates.

AND CREATE A FIT AND HEALTHY INDIA - A FIT INDIA MOVEMENT

WEALTH OF EXPERIENCE

TALWALKARS



Talwalkars HI FI is a venture borne out of 79 years of business understanding of Talwalkars and the passion, commitment, and integrity of Mr. Madhukar Talwalkar. His mission in his own words is "to spread the gift of fitness across India through my franchisee partners and to ensure that this brings great joy and success to

each and every one of my partners who join me in this journey "

To achieve the above dream each HIFI centre is being executed in the style and manner of a turnkey project, with all the detailing done centrally. For this, Talwalkars HI FI corporate team led by Madhukar Talwalkar has been working for the last 1.5 years to standardise every aspect of the business, all you need to have is a place of 1500-3000 sq. ft and investment of Rs 50-95 lakhs. We will then

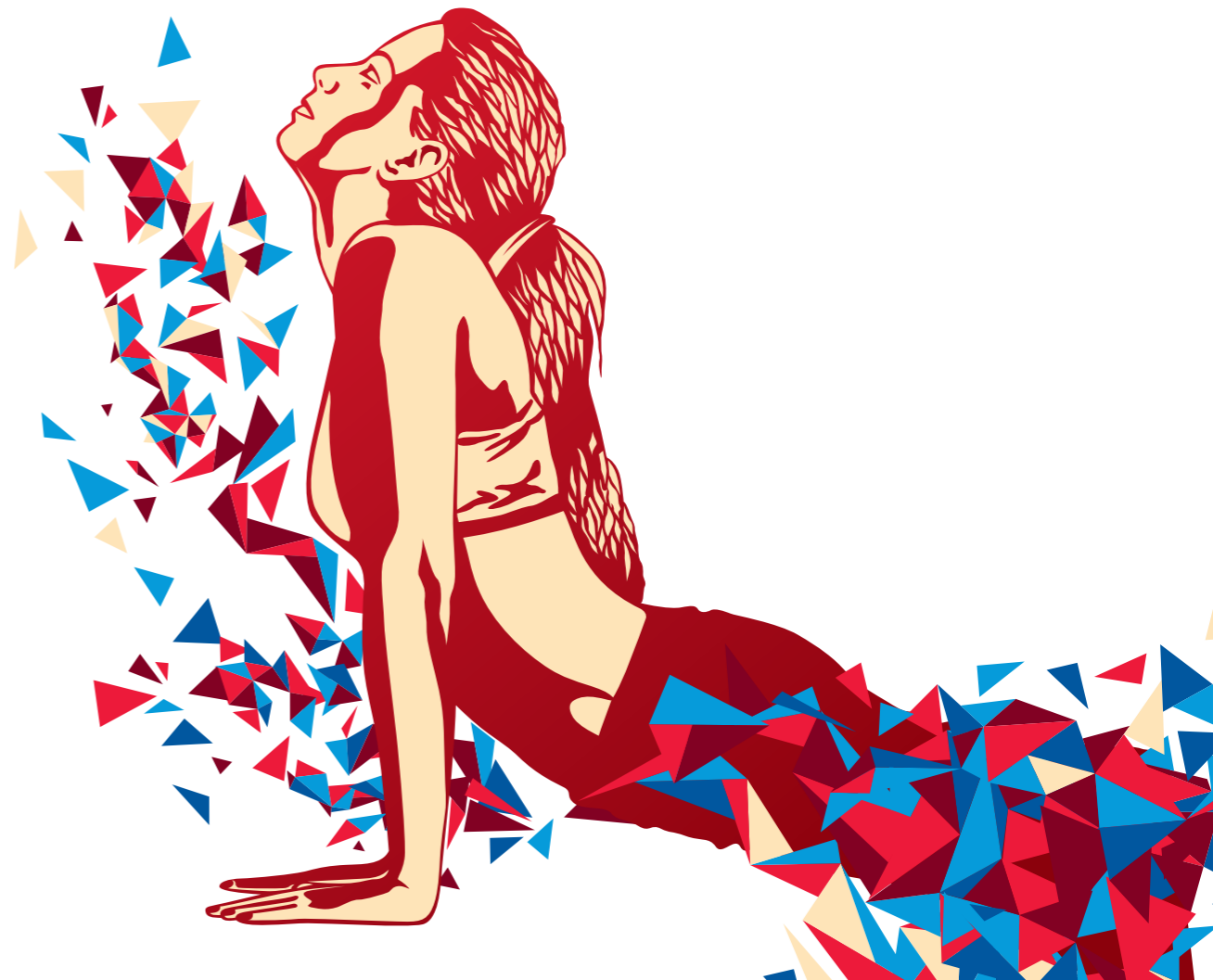
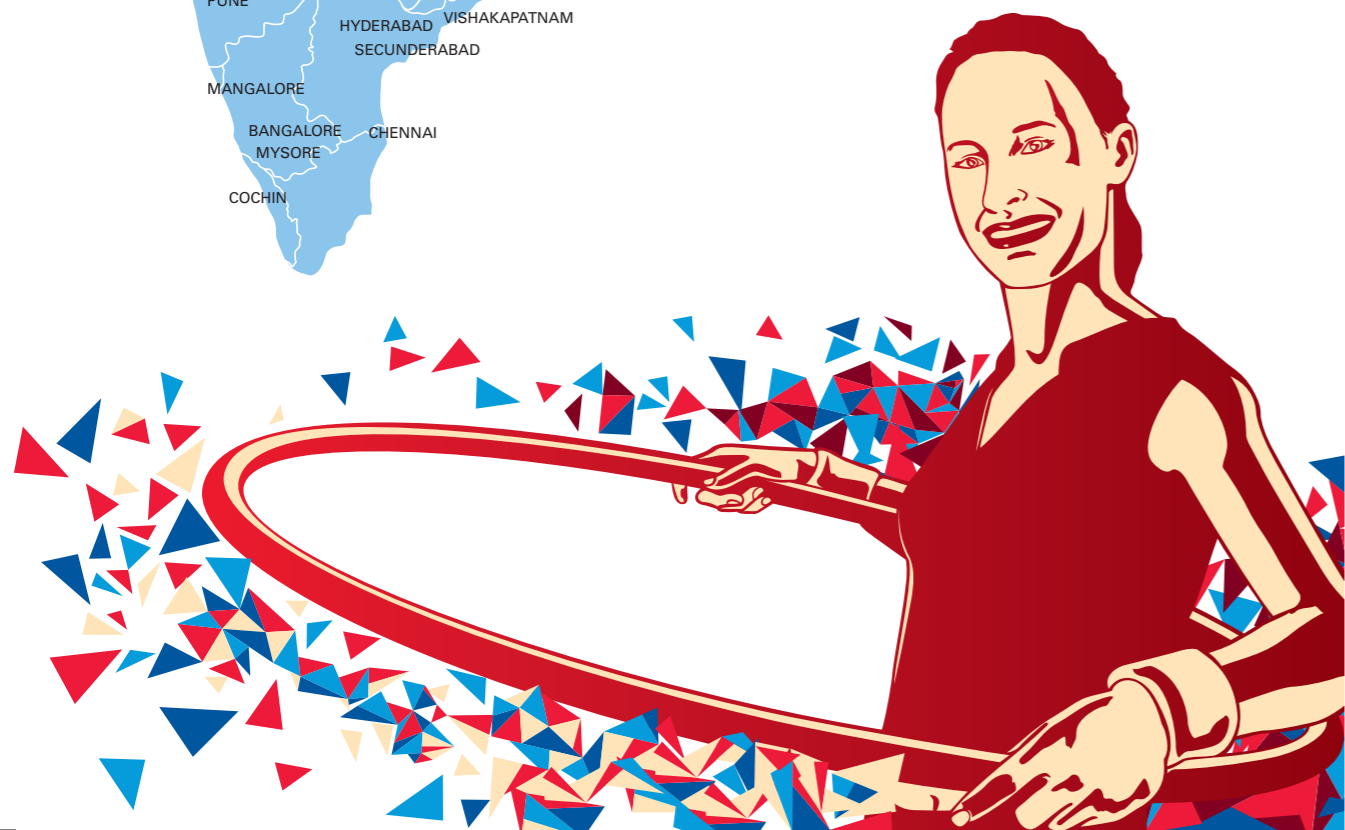
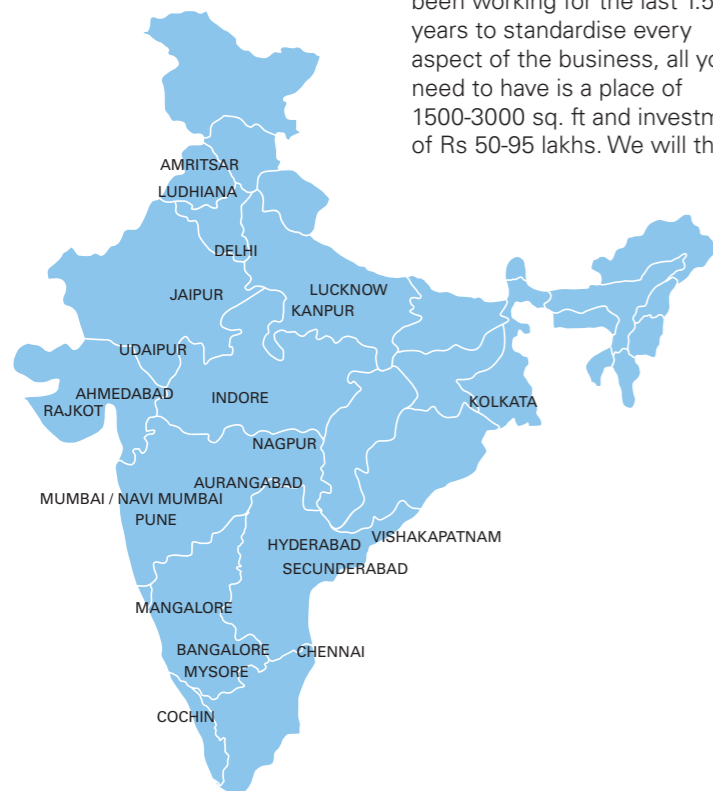
help you set up the project, your organisation, management systems, recruit and train your people to run the organization assuring you smooth operation and high profitability from the first year. In this way we give you the promise of an "A" class product, pride of ownership of the biggest brand in fitness today "Talwalkars" and the business assurance of the most trusted name in fitness today Madhukar Talwalkar.

THE LARGEST HEALTH CLUB COMPANY IN ASIA AND 'THE' NAME TO BE ASSOCIATED WITH!

STATISTICS REVEAL AN 85% SUCCESS RATE FOR FRANCHISEE-LED BUSINESSES, AS OPPOSED TO A 15% SUCCESS RATE FOR SELF-STARTED VENTURES

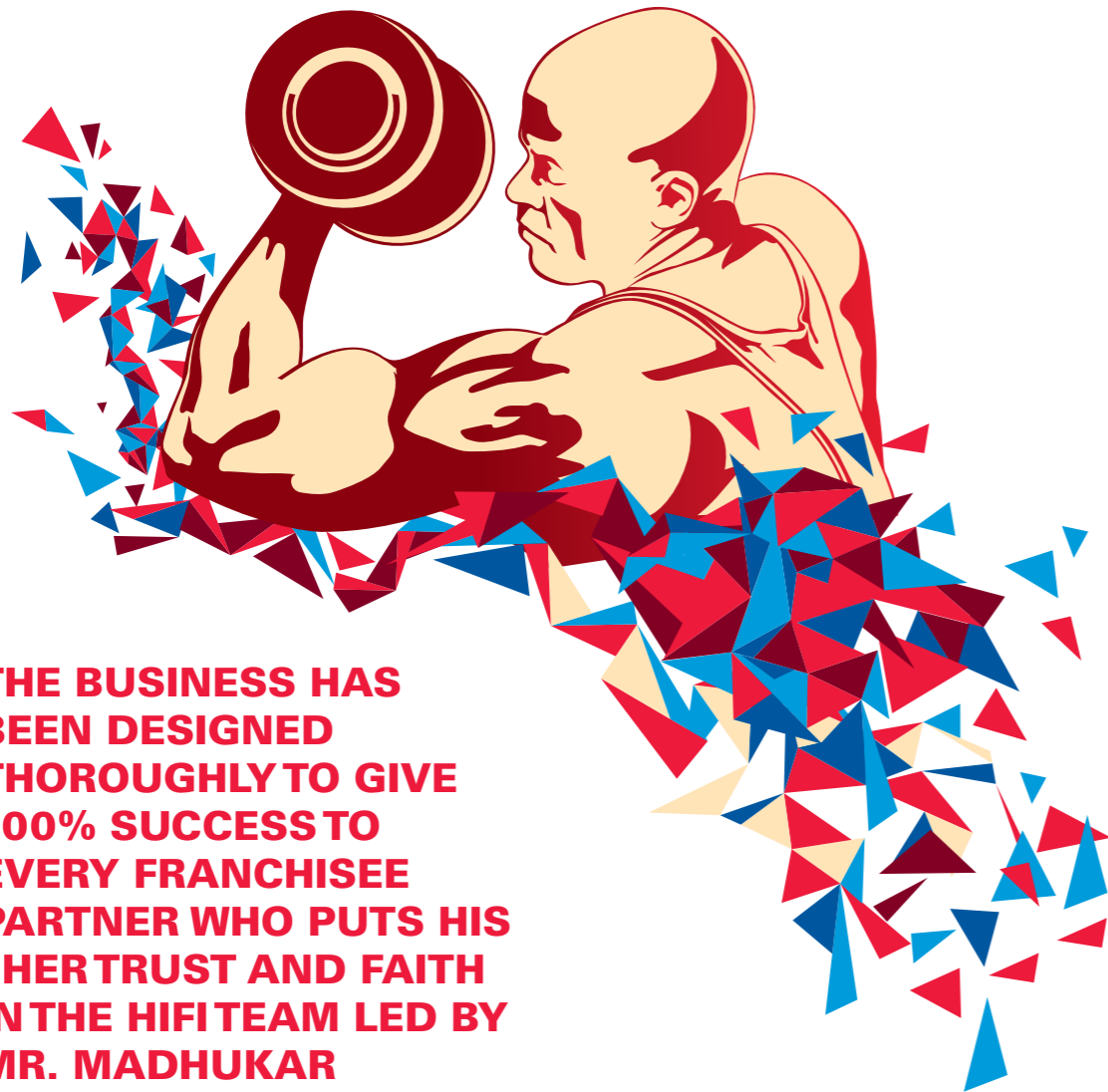
WHY IT MAKES BUSINESS SENSE -

- Lower investment as compared to "gym" models
- Saving of 30-40% due to franchising option, as compared to self-started projects
- Pre-negotiated deals and pricing with top equipment, furniture/ fixture and material brands due to Talwalkars' established network and tie-ups
- Centralized pricing strategy
- Faster payback
- Assured ROI and profitability
- Easier to roll-out than larger formats
- Lower rentals and overheads for higher per sq.ft returns
- Higher profitability due to operational efficiency
- Lower investment in backend due to Talwalkars' infrastructure
- Additional revenue generation opportunities through merchandising.



WEALTH OF EXPERIENCE

-TALWALKARS



THE BUSINESS HAS BEEN DESIGNED THOROUGHLY TO GIVE 100% SUCCESS TO EVERY FRANCHISEE PARTNER WHO PUTS HIS / HER TRUST AND FAITH IN THE HIFI TEAM LED BY MR. MADHUKAR TALWALKAR HIMSELF

HOW WILL IT WORK?

Talwalkars has set up a top notch team of management professional backed by architects, design consultants, equipment manufacturers, contractors, material suppliers, etc.

This team has standardised all material inputs, quality specifications, forms, formats, design, prices, etc thus sparing you of the entire hassle of the project set up. This will also save time in rolling out your project which has traditionally been the biggest inflator in project costs.

KEY AREAS OF SUPPORT -

SITE SELECTION

Identifying the right city / town and location based on an evaluation of demographics, socio-economic profile, city potential, catchment, competition, etc.

Once a location is finalised, the franchisee will have a secure territory and Talwalkars will support and encourage their business expansion to develop into a chain.

If you have surplus funds / suitable property in hand, Talwalkars can help guide you realize its full potential

PROJECT PLANNING AND ROLL OUT

- A complete centralized project management model for timely project completion
- Economies of scale, efficient cost-management whilst sourcing to reduce overpaying / quality concerns
- Supported by a team of expert consultants in every domain
- Validation and supervision of all detailed drawings and specs at the time of roll-out to avoid rework and wastage
- Detailed manual for consistency of design and experience with drawings, guidelines and specifications of materials, furniture, fixtures and equipment
- List of empanelled vendors for materials , equipment and contractors

Management support and training

- A specialized Talwalkars Hi Fi academy research and innovation centre for training the trainers and management team
- A dedicated team of Master trainers in each field to support every franchisee
- Pre defined and documented workflows processes and an operational system supported by a web based software
- Full training to key people at our training centre followed by continuous online and offline support by our team of master trainers

MARKETING, MANAGEMENT AND HR

- An Annual calendar of marketing initiatives, promotions and customer service programmes
- Pre-launch, launch and post-launch marketing and promotion support
- Interview training and Recruitment support through JDs , phone interviews for selecting key people
- A complete HR system comprising of appraisal, incentive system, Career road maps, awards and rewards





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