

## Power World Gyms raises growth capital from Indian Company Talwalkars'

Power World Gyms Limited (PWG), a leading health and fitness chain based in Colombo, Sri Lanka has entered into a strategic partnership with Talwalkars Better Value Fitness Limited (TBVFL) a leading Indian chain of health and fitness centres. PWG has sold a 49.5% stake to PWG in an all cash deal through a combination of primary and secondary stake sale by the Owners of PWG. PWG



operates seven gyms across Colombo and manages corporate gyms for two leading Sri Lankan corporate. Being pioneers of the fitness industry of Sri Lanka since 1994, PWG has played a pivotal role in shaping the industry. PWG has successfully developed a gym model that provides quality fitness at an affordable price and PWG's extensive knowledge of the Sri Lankan market and the rigorous scientific based training of its staff differentiate it from competitors.

Speaking on this partnership, Mr. Talavou Alailima, Managing Director of PWG said "PWG has sold a minority stake to TBVFL and the Company continues to remain a local company. The funds raised will be used to set up new gyms to cater to the demand for gym facilities in Sri Lanka. The expertise and experience of TBVFL in managing the largest chain of gyms in India is invaluable in helping us understand how to better manage and set up best global gym management systems. The deal combines PWG's industry and local market knowledge with TBVFL's expertise on efficiently managing several different models of health and fitness centres in India. We also strongly believe that they will make a significant difference not only to the PWG brand but also to the overall health and fitness industry of Sri Lanka."



maiden venture of TBVFL outside India.

TBVFL is one of India's largest fitness groups and offers services at over 150 locations in 80 towns and cities around India. Apart from fitness centres the group offers a diet based weight loss program under the brand Reduce, an Electro Muscular stimulus based fitness programme called Nuform and various group activities like aerobics, and Zumba among others at various centres. TBVFL was listed on the BSE and NSE in May 2010 and is the first fitness company to be listed on the Indian stock exchanges. This transaction marks the

Sparrow Advisory, a boutique corporate finance firm based in India acted as the exclusive advisors to PWG and the Owners of PWG on the transaction.

Sparrow Advisory serves international clients on market entry strategy into South and South East Asia including cross border mergers and acquisition advisory and capital raise.

Rohit Bhargava, partner at the firm commenting on the deal said "Sri Lanka is a sporting nation and apart from Cricket, sports like Athletics, Boxing, Tennis and Rugby are very popular. For a country of only about 22 Millions it is highly commendable that the country has two Olympic medals and forty six Asian games medals. The importance of sports and fitness in the country is ingrained in the children early on from school level. PWG proposes to expand in next two years to over 40 gyms,

capturing a disproportionate market share and making it impossible for any new competition to enter the market.

Sri Lanka is a nation which International Companies should start looking at more seriously. The country now has a stable government and has been growing over 7% since the end of the 20 year ethnic war. The per-capital GDP is double of India and the median age is in early 30s. The country presents opportunities in healthcare, hospitality, plantations and infrastructure development"