

IHRSA **Global** **Report**



STATE OF THE HEALTH CLUB INDUSTRY 2005

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"What a relief to find a company that takes care of everything from membership dues and collections to PT session billings. I am very happy with the follow-up ASF does on delinquent accounts and account drafting problems such as credit card rejects and insufficient funds."

-TG, Texas

processing

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Time for a new GOAL?

As the curtain closed on the second millennium, IHRSA set a goal to have 100 million health club members worldwide by the year 2010. “100M by 2010”—it has a nice ring to it.

With five years to go, the goal is well within reach for the industry.

Currently, there are an estimated 85 million health clubs members worldwide. Since January 1, 2000, we have added approximately 25 million members to the industry roster, meaning that membership grew an average of more than 7% per year over the past five years. To achieve our worldwide goal of 100 million members by January 1, 2010, collectively and individually we need to increase membership by less than 4% per year.

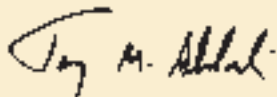
Looking at the industry penetration rates for every nation, it is clear that we have yet to tap the vast potential of the market. Even in the countries where the industry is most mature, there is still much more room for growth. Add to this the emerging markets in Eastern Europe, parts of Asia, and Latin America, and we can see that the potential is huge.

Achieving 100 million members by 2010, then, seems a foregone conclusion. If membership grows by just 6% a year over the next five years, we will have more than 110 million members by 2010.

Perhaps it is time to consider a stretch goal to build on the momentum we have achieved. Yes, let's celebrate when we reach 100 million members, but let's also make sure that we have our next goal ready when we do.

Let's make “110M by 2010” our new rallying cry. It's challenging, achievable—and it has a nice ring to it.

Yours in health,



Jay M. Ablondi
Publisher



Currently, there are an estimated 85 million health club members worldwide.



One Hundred Million
Members by 2010

THANK YOU!

GOLD LEVEL - \$6,000+

Lehigh Valley Racquet and Fitness Centers - Mr. John Brinson
Global Fitness Holdings Gold's Gym Executive Office
- Mr. Royce Pulliam
Health Fitness Corporation - Mr. Jerry Noyce
DMB Sports Clubs - Ms. Carol Nalevanko

SILVER LEVEL - \$4,600 to \$5,999

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Weston Racquet Club - Mr. Richard Trant
Healthtrax International, Inc. - Mr. Kenneth Navarro
Current Credit, Inc. - Mr. Ron Hemelgarn
Wisconsin Athletic Club, Inc. - Mr. Raymond O'Connor
The Houstonian Club & Spa - Mr. Herb Lipsman
Flagstaff Athletic Club West - Mr. Jim Garretson
Spare Time, Inc. - Mr. David Anderson

BRONZE LEVEL - \$1800 TO \$4599

The Thoreau Club - Ms. Faith Pulis
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Weymouth Club - Mr. Stephen Goldman
Court House Plus - Mr. Jamie Fairley
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The Fitness Company - Mr. Ross Westgate
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Tilton Fitness - Mr. Samuel R. Young
The Sports Center at Chelsea Piers - Mr. William Abramson
Club Fit Jefferson Valley - Ms. Beth Beck
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Oxford Athletic Club, North Hills - Mr. Stephen Hansen
Downtown Athletic Club of Pittsburgh - Mr. Dan Griffin
Big Vanilla Athletic Club - Mr. Larry Ray
Brick Bodies Fitness Services - Mr. Victor Brick
Maryland Athletic Club & Wellness Center - Mr. Tim Rhode
Merritt Athletic Club Corporate - Mr. Terry Dezzutti
Gold's Gym By Galiani - Mr. Kirk Galiani
American Family Fitness Centers - Richmond Fitness
- Mr. Brian Evans
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Sportsclub Greenville - Mr. Robert Provost
Gold's Gym - Aiken - Mr. Cliff Hall
Gold's Gym of Douglasville - Mr. Gordon Johnson
RDV Sportsplex - Mr. Karl Droppers
Shula's Athletic Club - Mr. Bill Higgs

Shapes Total Fitness - Mr. Bob Karshner
The RUSH Fitness Complex - Mr. Larry Gurney
Court South Total Conditioning Clubs - Mr. Joe Hollingsworth
Courthouse Racquet Club - Mr. John Black
Fitworks Fitness Centers - Mr. Patrick Petrecca
LifeCenter Plus Health & Fitness Center - Mr. Jan Rubins
Beverly Hills Club - Mr. Kim DeMars
Michigan Athletic Club - Mr. Carl Porter
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White Bear Racquet and Swim - Mr. Paul Steinhauser
Rochester Athletic Club - Mr. Greg Lappin
Riviera Country Club & Sports Center - Mr. Michael O'Donnell
Lincoln Park Athletic Club - Mr. Patrick Cunningham
LifeStart Wellness Network Corporate Headquarters
- Mr. Darren Hodgdon
Nautilus Fitness/Racquet Centre - Mr. Rich Drake
Genesis Health Club - Mr. Rodney Steven II
Prairie Life Centers - Mr. Dean Rasmussen
Lincoln Racquet Club Inc. - Mr. Marlyn Schwartz
Franco's Athletic Club - Ms. Sandy Franco
Little Rock Athletic Club - Mr. Pat Riley Sr.
Fayetteville Athletic Club - Mr. Bob Shoulders
ClubCorp, Inc. - Mr. David Woodyard
Greenwood Athletic Club - Mr. J. Madden
Gold's Gym - North Orem (State St.) - Mr. Scott Felsted
SportCenter Fitness - Mr. Michael Marinelli
The Belmont Athletic Club - Mr. John Doyle
The Claremont Club - Mr. Mike Alpert
Ray Wilson Healthy Exercise - Mr. Ray Wilson
Neste Enterprises - Mr. Brad Neste
Laguna Niguel Racquet Club - Mr. Cecil Spearman Jr.
Livermore Valley Tennis Club - Mr. Kim Fuller
Almaden Valley Athletic Club - Mr. Joseph Shank
HealthSPORT - Ms. Susan Jansson
California Family Fitness - Mr. Larry Gury
Corvallis Fitness Center - Mr. Rick Bennett
PRO Sports Club - Mr. Richard D. Knight
Harbor Square Athletic Club - Mr. Jack Tawney
Columbia Athletic Clubs, Inc. - Mr. Cyrus Oskoui
Cross Gates Athletic Club - Ms. Jenni Johnson

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Fitcorp - Mr. Gary Klencheski
Saco Sport & Fitness - Mr. Scott Gillespie
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Parisi's Sports Clubs - Mr. Bill Parisi
Health Spa 2 - Mr. Steven Menconi

IHRSA AND THE ENTIRE FITNESS INDUSTRY WOULD LIKE TO THANK the members of our 2004-2005 Independent Club Council (ICC). Members of the ICC provide the support and the financial resources needed to move the fitness industry's public policy agenda forward at every level of government.



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CHAMPIONS OF THE
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Aquatic and Fitness Center at Cherry Hill - Mr. Leslie Littman
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RallySport Health & Fitness Club - Mr. Denny DiPaula
Mid-Valley Athletic Club & Wellness Center - Mr. Al Lecocq
Taos Spa & Tennis Club - Mrs. Pam Guyer
Pierpont Racquet Club - Mr. Spencer Garrett
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Walnut Pier Health Club & Spas - Mr. Joe Cordova
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**IHRSA's 25th Anniversary
International Convention
& Trade Show**

**Las Vegas Convention Center
March 20-23, 2006
Las Vegas, Nevada**



International Health, Racquet & Sportsclub Association



UPCOMING IHRSA MEETINGS

AUGUST 8-12

IHRSA's 17th Annual Institute for Professional Club Management

Wellesley, Massachusetts
www.ihrsa.org/institute

SEPTEMBER 8-10

Club Business Entrepreneur Conference

Las Vegas, Nevada USA
www.ihrsa.org/conference
(This event is presented in conjunction
with the National Fitness Trade Show
and Wally Boyko Productions, Inc.)

SEPTEMBER 8-10

6th Annual IHRSA/FITNESS BRASIL Latin American Conference & Trade Show

Sao Paulo, Brazil
www.ihrsa.org/meetings

OCTOBER 2-5

5th Annual IHRSA European Congress

Rome, Italy
www.ihrsa.org/congress

OCTOBER

4th Annual IHRSA Asia-Pacific Forum

(date to be determined)
Singapore
www.ihrsa.org/forum

MARCH 20-23, 2006

IHRSA 2006, the 25th Anniversary International Convention & Trade Show

Las Vegas, Nevada USA
www.ihrsa.org/convention



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International

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Global Statistics

COUNTRY	TOTAL INDUSTRY REVENUE (USD)	TOTAL # OF CLUBS	TOTAL # OF MEMBERS	MEMBERS AS % OF POPULATION
ASIA/AUSTRALIA				
Australia	\$779,000,000	1335	1,593,000	8.0
New Zealand	\$72,000,000	375	200,000	5.0
China	\$126,000,000	350	181,700	0.014
Japan	\$3,000,000,000	1,951	3,124,000	2.44
Malaysia	\$113,000,000	225	705,700	3.0
Taiwan	\$110,000,000	220	455,000	2.0
EUROPE				
Austria	\$398,300,000	630	550,000	6.7
Belgium	\$284,000,000	550	400,000	3.9
Bulgaria	NA	NA	NA	NA
Cyprus	NA	60	30,000	3.8
Czech Republic	NA	110	55,000	0.5
Denmark	\$138,800,000	265	200,000	3.7
Estonia	NA	30	15,000	1.2
Finland	\$84,800,000	100	100,000	1.9
France	\$1,600,000,000	1,800	1,800,000	3.0
Germany	\$3,100,000,000	5,650	4,500,000	5.5
Greece	\$431,200,000	1,400	700,000	6.5
Hungary	NA	200	120,000	1.2
Ireland (Republic)	\$161,900,000	500	250,000	6.3
Italy	\$2,000,000,000	6,200	2,600,000	4.5
Latvia	NA	25	6,250	0.3
Lithuania	NA	30	9,000	0.3
Netherlands	\$994,400,000	1,700	1,500,000	9.2
Norway	\$424,000,000	350	500,000	10.9
Poland	NA	700	210,000	0.5
Portugal	\$370,100,000	1,100	500,000	4.8
Romania	NA	NA	NA	NA
Russia	\$600,000,000	1,200	2,000,000	1.4
Slovakia	NA	30	15,000	0.3
Slovenia	NA	25	7,500	0.4
Spain	\$1,900,000,000	3,800	2,800,000	7.0
Sweden	\$763,100,000	800	900,000	10.0
Switzerland	\$462,500,000	700	600,000	8.0
Turkey	NA	1,500	375,000	0.5
United Kingdom	\$3,500,000,000	4,380	6,100,000	5.0
LATIN AMERICA				
Argentina	\$198,000,000	3,000	1,650,000	4.2
Brazil	\$682,000,000	7,000	2,500,000	1.4
Chile	\$36,000,000	400	300,000	1.9
Mexico	\$540,000,000	1,800	1,800,000	1.7
NORTH AMERICA				
Canada	\$1,440,000,000	5,000	4,300,000	13.0
U.S.	\$14,800,000,000	26,830	41,300,000	14.0
TOTAL	\$39,109,100,000	82,321	84,952,150	—

Sources:

Asia/Australia: Estimates by industry experts

Europe: 2005 IHRSA European Market Report (Deloitte analysis); Russia: Estimates by industry experts

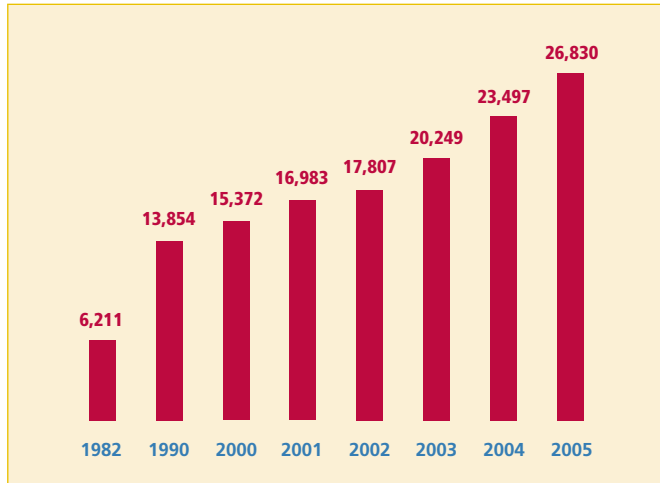
Latin America: Estimates by industry experts

North America: Canada—Estimates by industry experts;

U.S.—American Sports Data, Inc. and IHRSA analysis

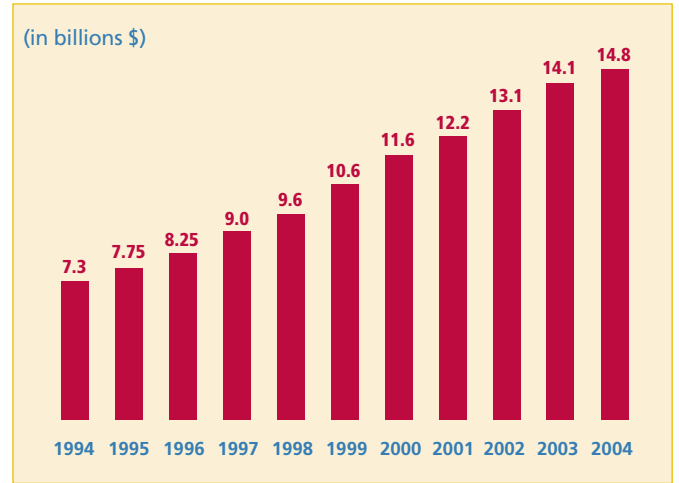
US Statistics

NUMBER OF U.S. HEALTH, RACQUET, & SPORTSCLUBS



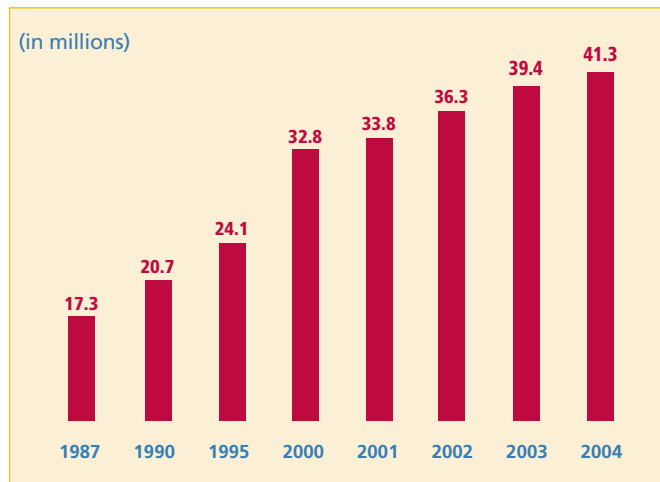
Source: American Business Information, Inc.
 Figures reflect a count of the number of businesses listed in Yellow Page directories under industry SIC code 7991. Figures are as of January 1 of the listed years.

U.S. HEALTH CLUB INDUSTRY REVENUE GROWTH



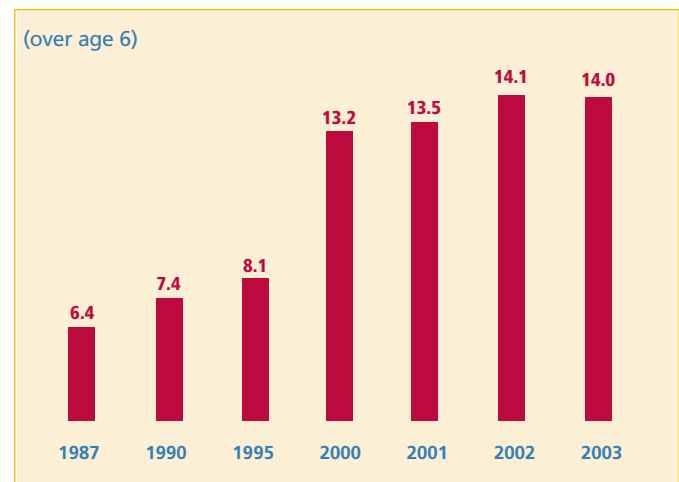
Source: IHRSA.
 Figures are as of December 31 of the listed years.

U.S. CLUB MEMBERSHIP NUMBER 1987 – 2004



Source: IHRSA/American Sports Data Health Club Trend Report.
 Survey results represent membership numbers for a broad range of facilities, including park & recreation centers, hospital fitness centers, YMCA's, college and university centers, and commercial clubs. Figures are as of December 31 of the listed years.

MEMBERS AS PERCENT OF TOTAL POPULATION



Source: IHRSA/American Sports Data Health Club Trend Report.
 Survey results represent membership numbers for a broad range of facilities, including park & recreation centers, hospital fitness centers, YMCA's, college and university centers, and commercial clubs. Figures are as of December 31 of the listed years.



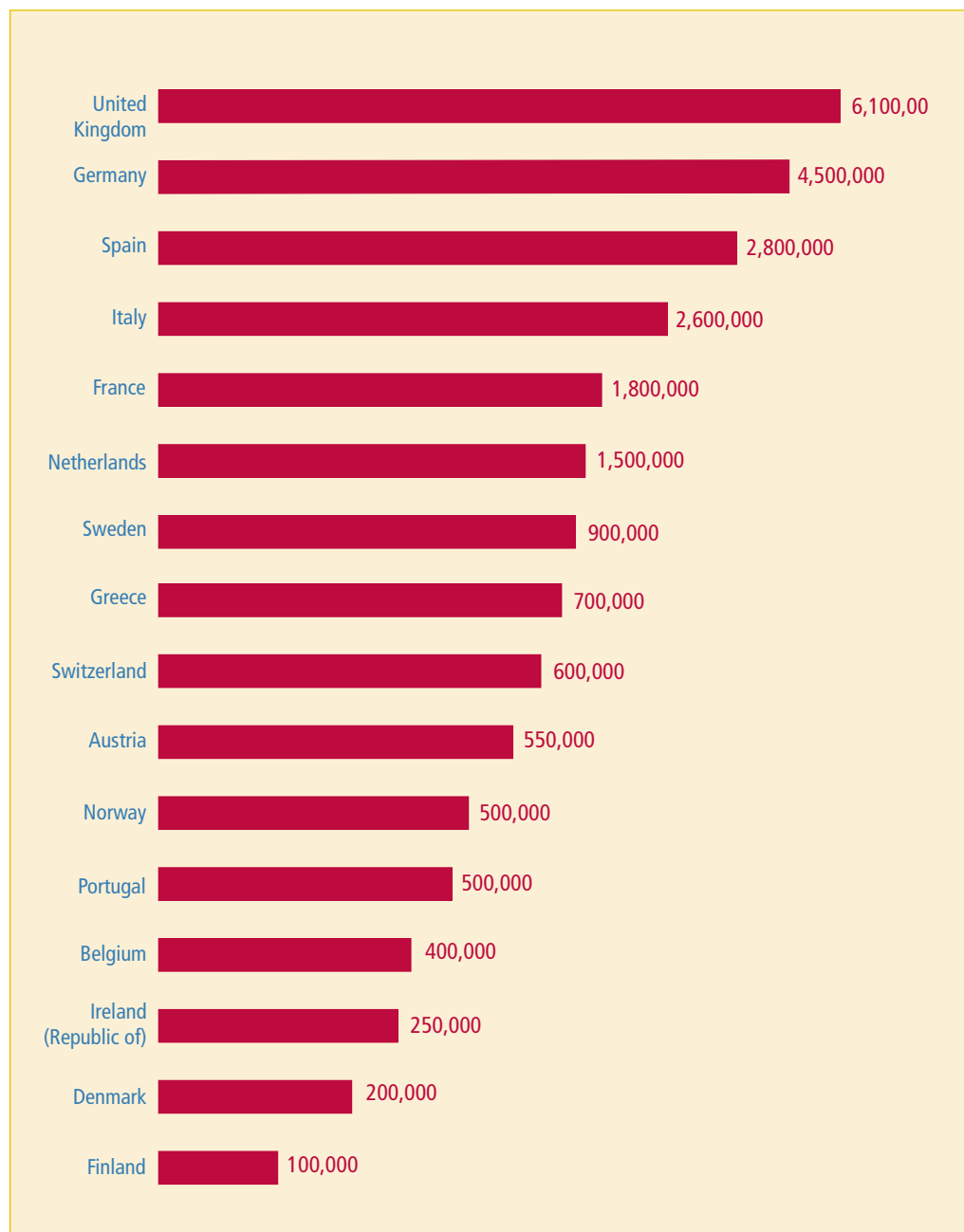
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Western European Statistics

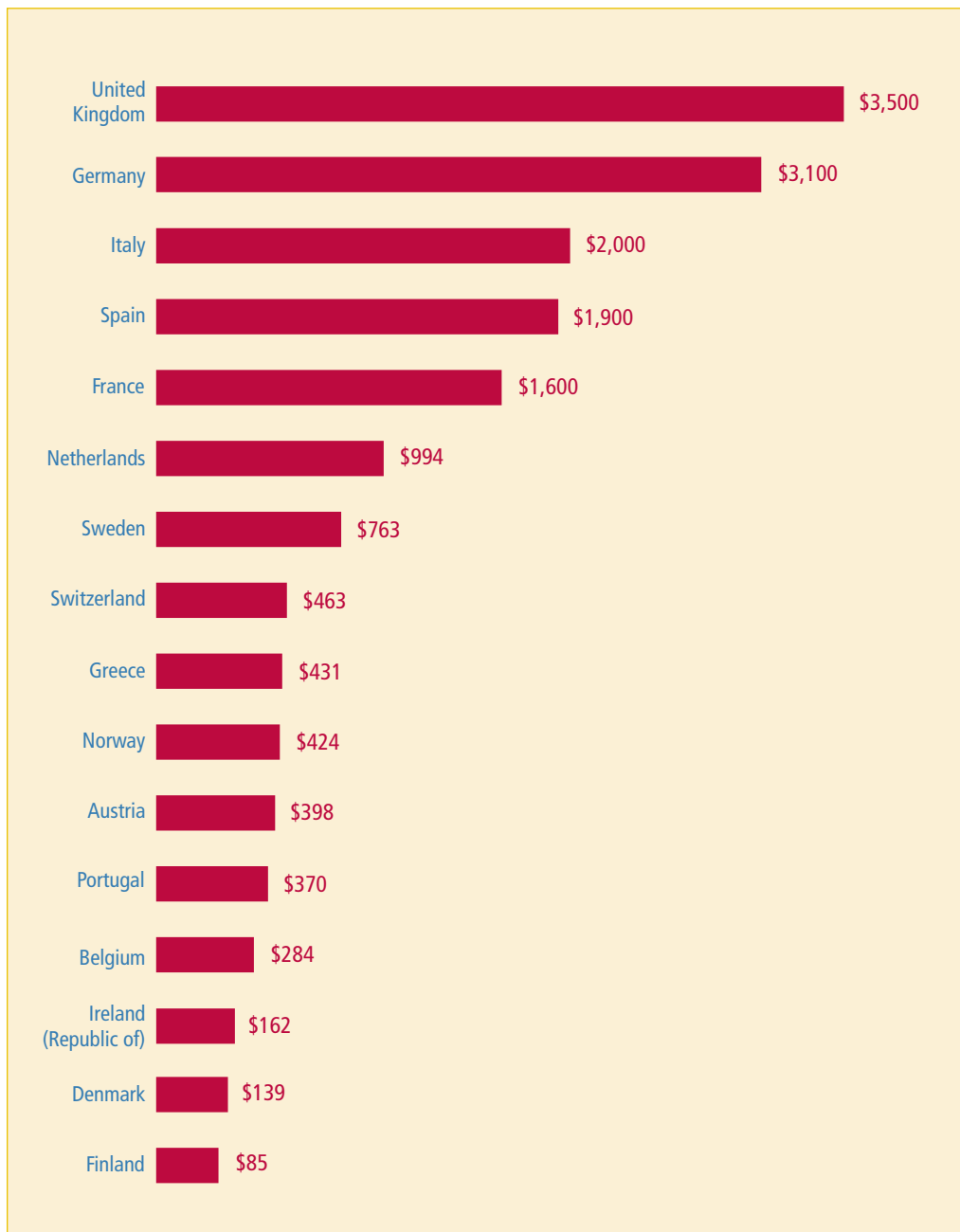
NUMBER OF MEMBERS PER COUNTRY



Source: 2005 IHRSA European Market Report (Deloitte analysis)

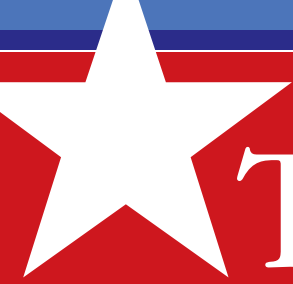
Western European Statistics

MARKET SIZE IN MILLIONS \$



Source: 2005 IHRSA European Market Report (Deloitte Analysis)

Note: The calculated market size in Ireland consists of both commercial and public facilities. All amounts in millions of U.S. Dollars. All data from 2003, or more recent if available.



THANK YOU

IHRSA AND THE ENTIRE FITNESS INDUSTRY WOULD LIKE TO THANK the members of our 2004-2005 Industry Leadership Council (ILC). Members of the ILC provide the support and the financial resources needed to move the fitness industry's public policy agenda forward at every level of government.

★ PLATINUM LEVEL (\$30,000 or more)

- 24 Hour Fitness - Mark Mastrov
- Bally Total Fitness - Paul Toback
- Curves International - Gary Heavin
- L.A. Fitness - Louis Welch
- Life Time Fitness - Bahram Akradi
- The Wellbridge Company - Ed Williams
- Town Sports International - Mark Smith
- Western Athletic Clubs - Jim Gerber

★ GOLD LEVEL (\$20,000-29,999)

- ACAC Fitness & Wellness Centers - Phil Wendel
- Spectrum Clubs - Matthew Stevens
- Sport & Health - Mitch Wald
- TCA - Steven Schwartz

★ SILVER LEVEL (\$10,000-\$19,999)

- Club One, Inc. - John and Jill Kinney
- Dedham Health & Athletic Complex - Lloyd and Roberta Gainsboro
- East Bank Club - Simon Meredith
- Equinox Corporate Office - Harvey Spevak
- Fitness First Australia - Tony De leede
- Fitness Formula - Gale Landers
- Gainesville Health & Fitness - Joe Cirulli
- Gold's Gym International - Gene LaMott
- Health Fitness Corporation - Jerry Noyce
- Healthtrax International - Kenneth Navarro
- Healthworks Fitness for Women - Mark Harrington
- In Shape Health Clubs, Inc. - Paul and Mort Rothbard
- Leisure Sports Inc./ClubSport - Steve Gilmour
- Lifestyle Family Fitness - Geoff Dyer
- PI Capital - David Giampaolo
- Plus One Fitness - Michael Motta
- Rice Fitness Centers - Ren Rice
- Santa Barbara Athletic Club - Julie Main
- The Alaska Club - Tom Behan and Andrew Eker
- Wisconsin Athletic Club, Inc. - Ray O'Connor
- WOW! Workout World - Stephen Roma



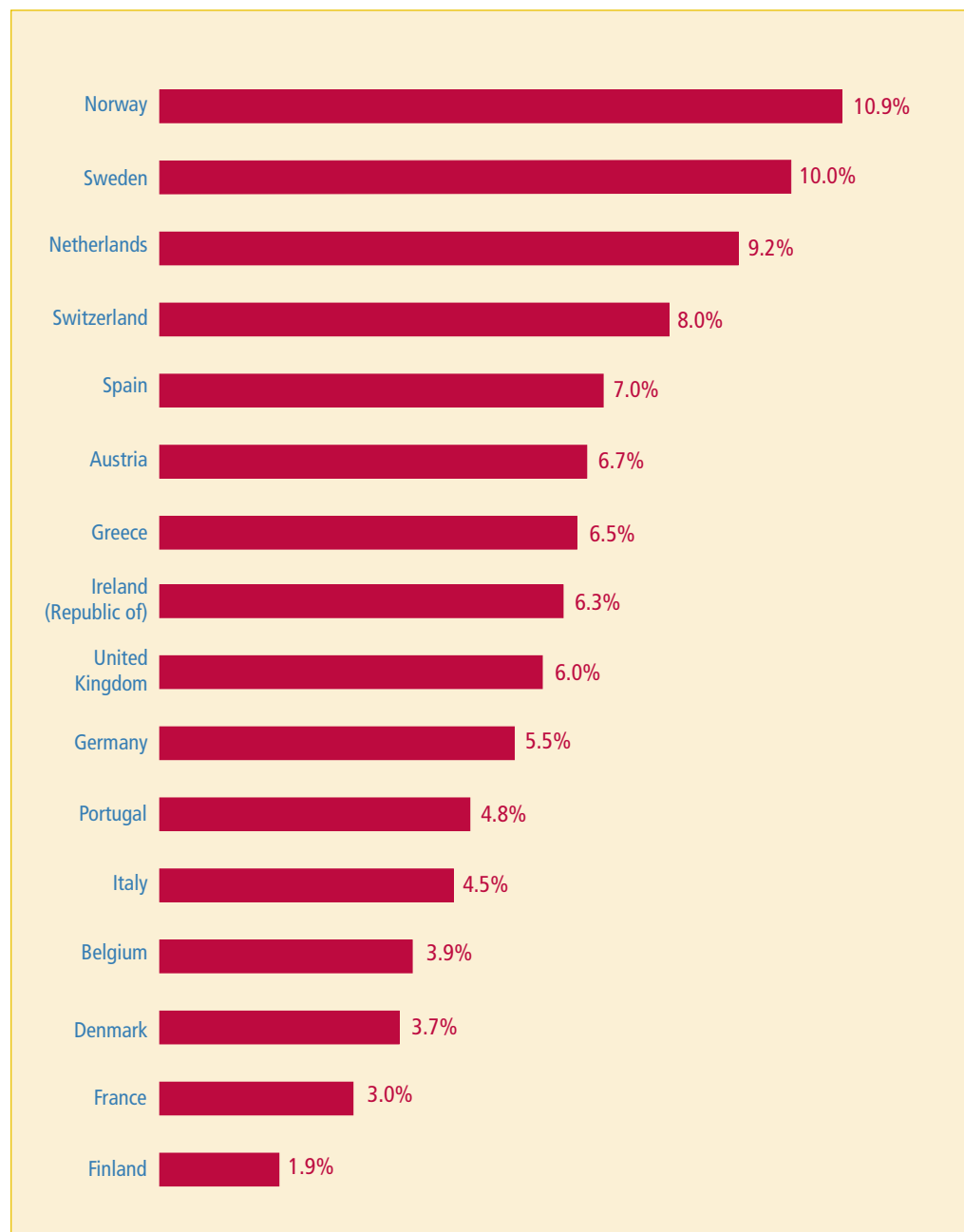
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CHAMPIONS OF THE
FITNESS INDUSTRY



International Health, Racquet & Sportsclub Association

Western European Statistics

MEMBERSHIP PENETRATION RATES



Source: 2005 IHRSA European Market Report (Deloitte Analysis)

Note: The above penetration rates relate to members in commercial clubs in Europe, except in Ireland where the penetration rates consider members in both commercial and public clubs. All data from 2003, or more recent data if available.

Working With an Expert Pays Dividends for Your Club

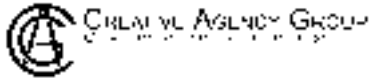
When you protect your health, racquet or sports club employees with the IHRSA workers' compensation program – you get more than you paid for. Like the opportunity to earn a safety group dividend. In 2000, for example, 100 IHRSA members shared a workers' compensation dividend of more than \$160,000.

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Club Safety Plans and Standards: OSHA Fast Fix

AED Equipment and Training: Philips Medical Systems

Property, Liability, Casualty, & Healthcare Insurance:
Sports & Fitness Insurance Corp. (SFIC)

Office Supplies: Staples

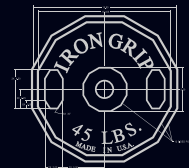


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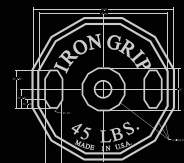
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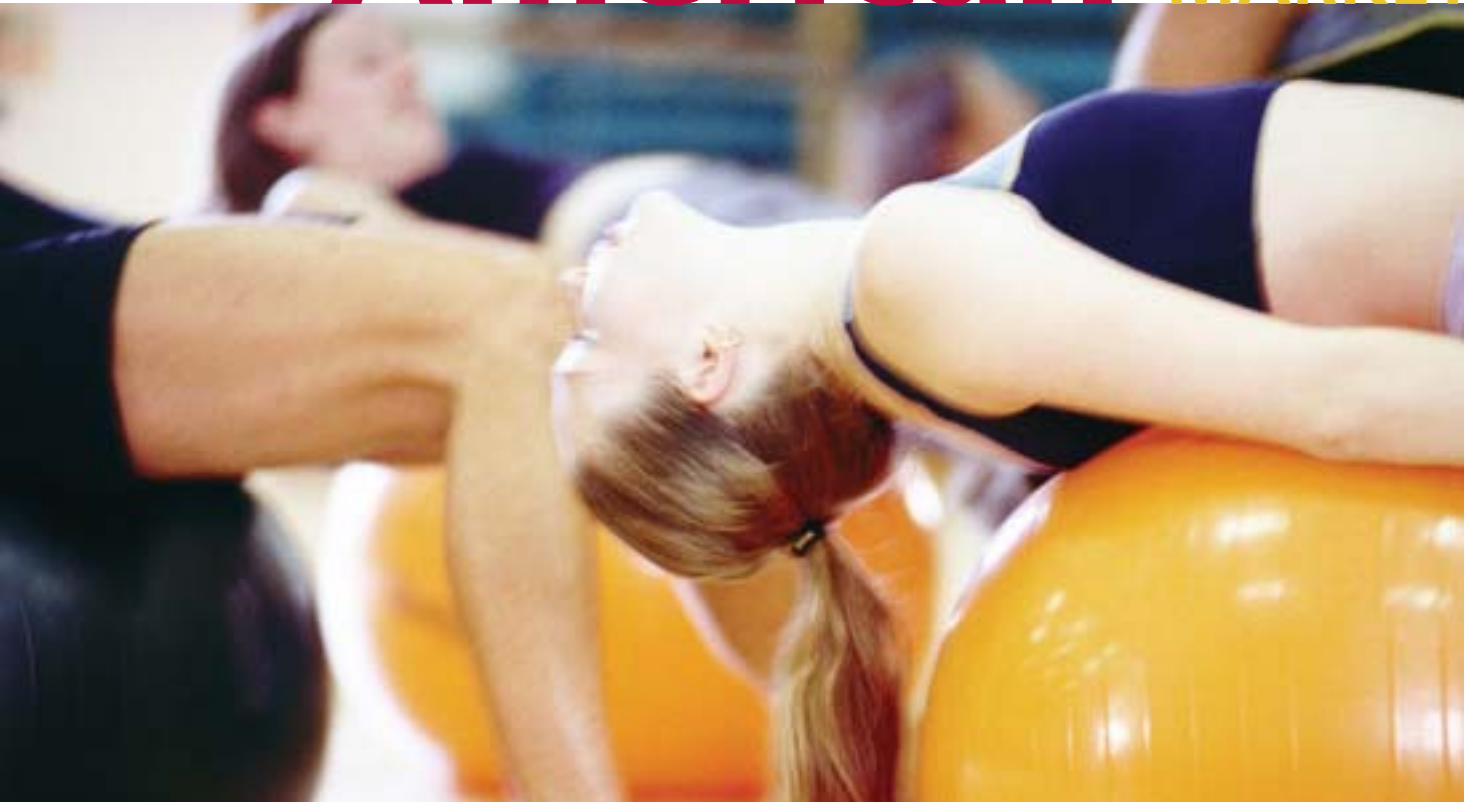
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North American MARKET



DESPITE THE THREAT OF COMMODITIZATION AND LOOMING CONSOLIDATION, OPPORTUNITIES ABOUND

By Patricia Amend

Opportunities are certain to abound in the fitness industry over the next two years, say the following 14 industry leaders—club owners, managers, suppliers, investors and consultants—who agreed to share their “outlooks” for the industry.

The consensus: As the obesity epidemic continues to surge, and take its toll among adults and children alike, health and well-

ness issues will continue to come to the fore. Consumer awareness of the need for regular exercise will heighten even more as individuals, governments, the medical community, insurers, and corporations continue to struggle with the issue of obesity and lifestyle-related diseases—all in an effort to improve quality of life and save lives, while taming, if not yet reducing, burgeoning medical costs. ►

Many also agree that some markets have become overbuilt, making consolidation inevitable. When it's over, the remaining players should emerge stronger than before. However, opinions diverge as to the type of business model that will successfully penetrate the deconditioned market in the longer run.

Some argue that, because most Americans see fitness as a commodity that can be purchased from a number of clubs in their particular market, simpler, so-called "box clubs" with lower dues will ultimately succeed. These folks see price as a major barrier-to-entry for millions of consumers.

Others see this commoditization of fitness as the enemy, but one that can be outsmarted with a high level of member choice and personal service. In their minds, the cost of monthly dues becomes much less of an issue when consumers perceive a high level of value.

All agree that the potential for explosive growth is there, as well as the chance to make our mark on the nation's health—if we can manage to devise the right formula.

If not us, then who? If not now, then when?

Connecting information to action

With all the benefits of regular exercise being touted to the general public, we have an enormous opportunity in front of us. There is no doubt that regular exercise benefits everybody. It aids in weight loss, reduces the symptoms of depression, prevents and/or reduces the incidence of many serious diseases such as heart disease, cancer, etc., and gives the exerciser a much more positive outlook on life.

Yet, since the Surgeon General's report citing the benefits of exercise, we have not seen a measurable increase in the percentage of the general population that exercises. It is our challenge to change that disconnect between what people know—that regular exercise is good for you—and what they do—actually work out.

"It is our responsibility to provide health clubs that these non-exercisers are comfortable in, to provide programming that motivates them to come and continue exercising, and to provide equipment that gives them the feedback they need and the results they desire. When those goals are reached, we will start seeing much larger numbers of people using our health club services."

Julie Main, General Manager, Santa Barbara Athletic Club & President, IHRSA Board of Directors

Julie Main



Putting the emphasis on socialization

There are two key opportunities for fitness club operators in North America: either stress individuality and sociability or follow the herd in the opposite trend towards commoditization.

Clubs that are focused on the individuality of their members will be driven by personal training and group exercise. That is to say focus on programs specific to the individual: programs that take into account a member's individual requirements in terms of exercise, diet and lifestyle. These clubs are built around treating members as individuals not as a 'number.' The other side of this coin is placing an emphasis on sociability through offerings such as group exercise or clubs within a club. By the latter I mean specialty programs like running clubs or get-ready-for-golf clinics. This model, combining individual needs and social needs, allows for higher prices, a greater ROI and serves to differentiate your club.

As well, the trend towards clubs that are small with simple strength training circuits encourages socialization between members. A long-term, successful model such as this relies on a high degree of member interaction and member-to-staff interaction among 200-500 people.

"The rest of the market is dropping prices, increasing equipment, and offering big, beautiful space with lots of low maintenance tools—creating as big a wow as possible on the first tour. They are focused on location, location, location: price, price, price! In this case the clubs with the cheapest cost and leanest operating structure, win. One of the key challenges is to overcome high member and staff turnover. For the market leader there is a three to seven-year window of good ROI until the club gets undercut, over-serviced or outdone by a new competitor. However, one person or chain always leads in this area."

Dave Patchell-Evans, Founder & President, GoodLife Fitness Clubs

Developing service-driven staff

Among the key opportunities is the migration from a "facilities" focused industry to a "service" focused industry. Personal trainer, weight management and circuit training services are providing the missing motivation of past fitness experiences. Wellness will also be among the key opportunities. Alliances with health insurance companies are now viable, as research has proven that the cost of not exercising (in terms of sick time) is much higher than the cost of paying for exercise as preventive wellness, and insurance companies must begin to play an active role in preventing illness.



Dave Patchell-Evans



Gary Heavin

Developing people and environments that are thoughtful about serving, rather than driving, revenue will be a challenge. We also need to keep government from meddling in our industry. No other industry has politicians setting prices, contract terms and other demands that are often more harmful to the consumer than helpful.

Gary Heavin, Founder & CEO, Curves International

Finding good locations

We're in a portion of the business that's in a new frontier. Like Curves, we've been able to tap the deconditioned market by taking power lifting and bodybuilding out of the gym. By making ourselves a 'judgment-free zone,' taking the hardcore person out, and moving away from 'results,' we've brought the deconditioned in. So, now the hardest thing for us is to keep up with the demand for franchises. We've grown from 14 to 60 in a little over a year.

As for the industry as a whole, real estate prices are going to limit growth. The real challenge is finding good locations at somewhat reasonable rents. We also need to get the high-pressure sales out of the game if we're to tap the deconditioned market. No more used car sales tactics. If we also get rid of the bodybuilding image, we can tap 80% of the population.

Once that happens, then we can lower our prices. I see two market segments—lower-end and high end; \$19/month and \$100+ per month. In our clubs, the monthly dues average \$15 per month. In my view, you need the Wal-Mart and the Nordstrom's. You don't need the \$30-to-\$70-range. At \$19, the level of risk of joining is low. Fitness is like mowing your lawn. If you can pay \$7 or \$60, you'll pay \$7.

We are our own enemy because everyone who works in a gym loves fitness, and they assume that other people like to work out as much as they do.

Another thing: We are our own enemy because everyone who works in a gym loves fitness, and they assume that other people like to work out as much as they do. They don't relate to people who hate it. The people who love it shouldn't sell or market to deconditioned people; they should be personal trainers. Until we bridge this gap between love and hate, the industry will be stifled and won't reach its potential.

Michael Grondahl, CEO, Planet Fitness

Re-investing for maintenance and growth

The club industry has shown major growth both in the number of total facilities as well as the number of overall health club members. It is important to continue to increase the latter, and perhaps not maintain the same level of increase in total

facilities. Much of the recent surge in facility growth has been fueled by the huge surge in the number of express (30-minute oriented) clubs. This model needs to prove that it is sustainable and successful for the franchisees.

Unit statistics (e.g., number of total club members, revenue per member, overall non-dues revenue, EBITDA margins) need to show increasing improvement, as the club industry has to build its story as a recession-resilient industry. Clubs need to re-invest in both maintenance and growth capital expenditures while simultaneously focusing on improving staff retention and development, new programs and services and better user-friendly systems.

The industry needs to find insights into attracting a deeper penetration of the overall adult U.S. population. It needs to attract and serve successfully the weight-loss oriented, the first-time joiner, the Baby Boomer, the post-rehab patient and seniors. It still needs to do a better job of attracting the meaningful involvement of HMOs and insurance companies and corporations themselves. Hopefully, government-supported initiatives one day would be a boon to this industry.

The club industry must commit significantly more resources to investing in member research via customer relationship management (CRM) software and regular professional feedback to really understand the member and customize the ensuing club member experience. In effect, clubs need to be even more member-centric.

Rick Caro, President, Management Vision, Inc.

Avoiding commoditization

The next 18 months will be the best of times and the worst of times. The industry, as a whole, is entering into a time of correction; a correction is a natural part of any business and is something the fitness industry has gone through in the past. According to IHRSA figures, the number of members per club has declined three years in a row. This is an indication that the club market has been overbuilt. Other factors, such as the influx of low-price providers and a changing economic environment, will also add to the forces behind the correction. As a result, marginal clubs, which have not been updated and which are providing limited services and programming, won't make the cut. The industry is also becoming over-built at the top, with some of the national chains having financial difficulties and grinding each other down through direct competition.

In the midst of this lies great opportunity in the independent club market. More clubs will become full-service. Those that want to avoid becoming a commodity will have to reinvent their businesses over the next two years. They will have to evaluate their services and marketing. There will be a huge growth opportunity for those clubs willing to be aggressive during the coming months.

This is also the best of times for clubs because consumers are finally 'getting it.' Fitness is receiving extreme exposure nationwide—as cover stories on national magazines, on talk shows and



Thomas Plummer

news programs, and even on reality shows. This combination is the tipping point for the consumer, which will lead to a huge growth market for the clubs prepared to take advantage in the coming years. As for our business, we are in front of more independent clubs than all other speakers in the industry combined. We understand the change is coming and we are providing the leadership and guidance to help clubs manage this change. While IHRSA is providing leadership at the national and international levels, we are providing it on the front lines for the independent market.

Thomas Plummer, President, Thomas Plummer Company

Managing growth

The greatest challenge that the industry faces is also the greatest opportunity. Its mind boggling that only 20% of the U.S. population exercises regularly! The balance of 80% represents a huge number that still doesn't get it. We all need to continue to effectively communicate the benefits of exercise and healthy living to the masses. I am enthused about the effect that the small box gyms are having on increasing this number, as there are many who don't feel comfortable in the big box gyms. I also applaud the efforts of John McCarthy and IHRSA as they continue on the path to reach 50 million health club members in the U.S. by 2010.

I believe that the greatest challenge that we face as a company is effectively managing our growth. In 18 months, we have sold over 175 Cuts Fitness For Men locations and are projecting to reach approximately 750 by the end of this year. We also recently launched Cuts Fitness For Women, of which we are projecting to sell approximately

John Gennaro

250 franchises by the end of the year. To accomplish and manage this growth, we need a great team of employees who are truly best in class at what they do. We also need strategic corporate partners and master/area franchisees who help us sell and support both domestically and internationally.

John Gennaro, President & Founder, Cuts Fitness

Making health clubs the 'obvious choice'

I believe that, with such a huge emphasis on the deteriorating health of so many people and the costs involved in taking care of them, we are in the best possible position to help in so many ways. Consider the soaring costs of simply dispensing pills for every known condition, along with their side effects. You can see where exercise is more effective, and has only positive side effects. It is clear that we are only touching the surface of our potential future.



Joe Cirulli

The challenge is developing the programs that help people see us as their obvious choice. We need to stop thinking of only promoting memberships and start promoting solutions to people's problems. There has to be a greater emphasis on forming relationships with physicians in our prospective areas. We need to work with them to help us understand the challenges that they face and find ways to assist them. We need to better understand the specific health issues among employees at our neighboring corporations and develop ways of addressing them. I believe once we can solve specific problems with specific programming for individuals, corporations and physicians, we will make a major impact on a greater number of people than we've ever imagined we could.

Joe Cirulli, Owner & Founder, Gainesville Health & Fitness Centers

We need to work with [physicians] to help us understand the challenges that they face and find ways to assist them.

Valuing the product and pricing for profit

My view of the industry is that it's conflicted. All of us know the opportunities are enormous, and yet we lack greater impact and presence in our society. Small exceptions are Pilates, Curves, and the Life Time Fitness concept of health club. During our 'watch' in the last decade or so, we slipped into an obesity crisis, and I'm not sure any sector of influence can provide the answer alone. Rather than health clubs, suppliers, educators and the government, etc., being so myopic, a confederation of effort will be needed to promote real change and reverse the ravages of the poor health of the affluent. Of course, the answer lies in diet, physical activity, and individual psychology.



John Aglialoro

The best thing clubs can do is to take the squeeze off their suppliers and stop giving their own product away at the expense of themselves and suppliers. Profit is the engine of product innovation; without it, clubs will receive more of the sameness they're already giving their members. It's insane when you think about it... the difference in annual lease cost between an average layout and a superior one is probably less than 1/4 of one percent of total annual cost.

At Cybex, our biggest challenge is also our greatest opportunity. In terms of revenue, we are only 20% to 30% the size of our largest competitors. Most of their revenue comes from the consumer portion of total sales compared to commercial sales only for Cybex. We intend to re-enter the consumer product sales arena by the end of 2005. It is the most rapidly growing sector of our industry. I know when people in our industry think of the "Big 4 or Big 5", and I tell folks we're a distant last in terms of revenue, they're often surprised, thinking that perhaps we're in the middle of the pack, but it's simply not the case. However, Cybex will actively compete in that market. With our history of owning Trotter, a treadmill consumer products company, we're anxious to re-enter the market.

Another ongoing challenge for Cybex and our competitors continues to be authentic innovation in products and services for our customers. Only with innovation can suppliers as an industry get 'unstuck' from low 'commodity' prices for our products/services. People will pay for unique values at any level of the price point scale. Consider the Arc Trainer in products or look at Lifetime Fitness and their gigantic fitness centers. Then look at the Curves ladies-only micro-fitness centers. They're all success stories. People don't over-think price if they're getting real value.

John Agialoro, Chairman and CEO, Cybex International

Deepening and broadening the member's experience



Paul Byrne

Our industry's greatest challenge also can be our greatest opportunity: in 2005 and beyond, our success is directly linked to how well we meet a broader set of needs and expectations revolving around the member experience.

It sounds simplistic, but when a club or facility offers a deeper and broader member experience, their business will be successful — it's the single underlying driver in a club's success, and also the key to Precor's success as a supplier to the industry.

What adds to the challenge is that club members' expectations are expanding into areas the industry previously hasn't served. Our success in turning this into an opportunity lies in our commitment to deliver that broader experience.

Precor is focused on providing the industry with equipment that's so smooth, sophisticated and reliable that club users can focus

on their fitness experience, and management can focus on its members. For us, challenge of the optimal member experience extends to entertainment that keeps members engaged and motivated, and technology that delivers new operational efficiencies.

Equipment isn't the focus of the member experience. In fact, by delivering a smooth, natural user experience and reducing issues for club management, the equipment recedes into the background; club staff is freed to attend to member needs. That's our opportunity!

Paul Byrne, President, Precor, Inc.

Club members' expectations are expanding into areas the industry previously hasn't served.

Leveraging the power of technology

With the increasing obesity crisis in America and the ailments related to lack of exercise, mainstream America will turn to the club industry for help. The mainstream is where most of the population resides, so it will be a powerful force in growing the industry.

With this growth comes opportunity, but also an increased challenge: How to serve a much larger population while keeping costs low and service levels high? CheckFree believes the industry must further embrace proven business practices, including leveraging the power of technology. The club industry quickly embraced the concept of recurring EFT for collection of dues when CheckFree invented it over 20 years ago. That one innovation provided the clubs a dependable cash flow, which was vital to the health of the industry. Technology and other management tools have come a long way since then, but remain underutilized. The fitness industry has been very innovative with new equipment and exercise programs, but has lagged in the use of software and systems to manage the clubs. Automation of basic club operations, such as member contracts and scheduling trainers, can allow a facility to grow membership without increasing staff. Technology becomes even more powerful in a multiple club setting, where keeping track of everything is difficult, but critical.

Leveraging technology and utilizing new business practices will be a challenge. It means changing club operations/processes, training staff, and making additional investment in technology. However, the proper use of proven business practices by the club industry will ensure it successfully manages the growth that is imminent.

Matt McKernan, Vice President & General Manager, CheckFree Health & Fitness



Matt McKernan

Leading the fight against childhood obesity



John Urmston

Obesity has become epidemic among adults and children. As a study from Children's Hospital in Boston recently pointed out, "We used to have 45-to-55-year-olds develop Type 2 diabetes and then experience life-threatening complications of that—kidney failure, heart attack, stroke—in their late 50s or 60s. But when we see a 4 or 6 year old, whose obesity can develop into Type 2 diabetes at 14 or 16, it raises the possibility of devastating complications before age 30." There has

got to be a better way! The fitness industry can, and should, take a leadership role to combat children's obesity.

Sportwall International is positioned to deal with these serious issues, even as technology has changed our lifestyles. Children are addicted to television, computer games and a sedentary lifestyle. However, Sportwall has made computer addiction a good thing. Children, through Sportwall, play games that are fun and make them sweat. *We understand that it is important to make fitness a consequence of having fun.* Children cannot be told "No Pain No Gain." They need to be actively engaged in fitness games that are fun. When parents choose to get fit, they like to know that their children are having fun and getting fit at the same time. Clubs can help kids focus on cardiovascular, neurological efficiency, core training, speed and agility, or motor skills training.

We understand that it is important to make fitness a consequence of having fun.

Over the next two years, Sportwall will move toward fitness globally. Sportwall and Cybex have joined forces to offer children's products in the United States and other parts of the world. Our future is to work with clubs that want to move toward the wellness and medical markets. It is up to the fitness industry to take the lead toward better health and wellness for children, and we will do our part.

John Urmston, President, Sportwall International, Inc.

Preparing for consolidation

The challenge is more competition; the solution lies in how to move to the front of the line and come out at the head of the pack without lowering your costs by producing a lesser quality line of equipment or becoming a "customer no service" company or stooping to unethical practices or negative campaigning.

We've had nine years of growth, with sales doubling every year for more than half of that time. I can only imagine that other companies have experienced the same. Since I have been a supplier to a niche group of entrepreneurs, now experiencing a tremendous increase in competition, I am looking for a saturation point as well as a consolidation opportunity. Now that we've had the "boom", I believe we should also prepare for the "bust" and a "consolidation period" as the saturation point nears (in the U.S. market).

The biggest challenge for my company over the last few years can be summed up with one question: "How do I find motivated people with the right skills to help me keep up with the demand?" Now that we have operating systems in place, the right people in the right job and a solid manufacturing process, I am ready for the next wave of opportunity as more competition compels us to move forward.

Anita J. Miller, Founder, It Figures LLC

Searching for untapped markets

In my opinion there are many more opportunities than challenges for this industry that we have all grown to love. Although entrepreneurs are opening fitness facilities more today than ever before, there are still countless untapped markets. As long as clubs are opening and there is room for growth, our industry will continue to thrive, while creating new and innovative products to better serve our clientele... and there is plenty of room for growth.



Henry Dabish

Powerhouse Gyms International will provide additional support materials to its owners and will continue to strengthen ties within its communities and with its owners. Currently, many of our licensees in the U.S. are updating their facilities and the newly opened facilities continue to outdo themselves. Powerhouse Gym is more concerned with opening quality health club facilities than simply increasing our numbers; however, numbers will grow drastically as more and more international territory agreements are being signed all over the world. The initial and most important challenge is to identify the Powerhouse niche in the market and then to take advantage of it. Whether it is a traditional Powerhouse Gym, Powerhouse Sports Club, or a Powerhouse Express should be based on the area and type of market that is being penetrated. The Powerhouse licensing office is continually partnering with associations, preferred vendors, our communities and most importantly our licensees in order to provide all of the tools necessary to succeed.

Henry Dabish, CEO, Powerhouse Gyms International

PATRICIA AMEND, MA, *the co-author of The 30-Minute Fitness Solution: A Four-Step Plan for Women of All Ages, is a contributing editor to CBE. She can be reached at Pamend@aol.com.*

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European MARKET

by Catherine Larner

AS THE ECONOMY RECOVERS, industry leaders see the need for strategic alliances and greater operational sophistication

The message has never been clearer—from governments, the food industry, medical professionals, the media, and charities—a balanced diet and regular physical activity are essential to enjoy a healthy life.

Statistics revealing the extent of the obesity epidemic throughout Europe have caused governments to wake up to the implications and get behind initiatives across the board in an endeavor to find preventative measures. The past year, then,

has seen the publication of public health reports, national campaigns, financial incentives, guidance documents and new legislation all seeking to encourage people to take better care of themselves.

So, for the most part, the time couldn't be better for the health club market. The potential is huge, with business, healthcare providers and legislators lending some weight to an already high general awareness of the benefits of physical activity and healthy eating.

And health club operators are providing an increasingly sophisticated and professional product in response.

Still, the industry faces challenges. A difficult economic situation throughout the continent, and the consequences of a too rapid growth within the sector, has meant that the past 18 months have not been easy. In many ways, this still young industry has needed to prove itself, to show that the business is robust enough to go through such times, particularly as the need for the product has never been greater.

And, indeed, as the end of 2004 drew near, there were more positive indications that the industry was lifting itself out of the trough. Consequently, commentators believe we will see further development of clubs, consolidation, increased investment and better differentiation in the coming 12 months.

When asked to give us their views on the challenges going forward, industry leaders indicated that we are still facing many of the same issues that have been at the forefront of development in the past decade. But the past year has seen operators retrench and refine their businesses. We are becoming better equipped, it is believed, arming ourselves with statistics gleaned through more developed management systems; in turn, we can establish just how much we are delivering, or falling short, rather than going on the gut instinct that has been a characteristic of the industry for so long. This means that we can measure ourselves against our peers on a level playing field. Huge inroads are being made in retention in this way, for example, in the U.K.

Consistency of delivery will be key going forward, both in individual businesses keeping members happy, and in the way the industry is viewed as a whole. There are pockets of excellence in the industry, but it needs to be widespread and constant to gain the confidence of the medical profession, investors and businesses before we will make the impact that is needed to address the huge obesity problem.

Partnership with other bodies keen to capitalize on our databases and our expertise will grow in the future. The models being developed by the insurers—Achmea in the Netherlands and Prudential in the U.K. working with Cannons and Holmes Place—are of huge interest. We will see more synergy between major players in coming months, commentators believe.

We also have many retailers keen to show their interest in the health of their customers by allowing loyalty points to be exchanged for health club memberships. Surprisingly few club operators are recognizing the value of this approach in encouraging members to exercise regularly. SATS in Scandinavia recently launched its loyalty scheme and was astounded by the response; SATS has been giving away thousands of prizes in return for regular workouts. We have to be increasingly more creative in luring people into the clubs, on a regular basis, particularly those people—the majority—who don't find exercise exciting!

Customers are now, more than ever, aware of the choices available to them—not only in which club they join, but also in the activities they pursue. The past year has seen more differentiation of the health club model and it is believed we will see this develop further. Clubs are seeking to keep their members'

interest by providing a broader range of facilities, combining sports with fitness—as at Next Generation, DLL and Esporta—or in the number of programs on offer, as Club Med and SATS are trying to establish. Other clubs are exploring synergies with related disciplines; LA Fitness received widespread congratulation this year for introducing weight management (long overdue for this market). We wait to see the response by customers, as well as whether other operators will introduce their own programs over the next year.

Yet in all these products, the strongest element for success is our people. Investment in recruiting, training and keeping staff with the right attitude and skill base for our businesses is paramount.

While markets such as Russia, France and Scandinavia have different concerns in the bigger picture—regarding investment, legislation and participation—operational excellence still remains paramount to clubs in all countries. If we raise our game in terms of professionalism, excellence, and providing expert advice, then we can prove we are an essential part of life in Europe in the 21st century—and will consequently be unavoidably attractive to the financial community, government and the general population.

Differentiating the product

For Next Generation, we are delighted with our performance in the difficult conditions of the past year. Our success is demonstrable proof that the broader product of racquets and health is more sustainable in the longer term, and certainly in tighter economic circumstances.

Other operators will also differentiate their product and seek to evolve in what they have to offer. Previously we have all been rolling out clubs without care and attention. ►



Scott Lloyd

Now we are moving towards that business breadth. There is still the problem of further consolidation to come but the better operators have started to find their platforms.

In the second half of 2005 we will see development programs reported in the press again, after businesses have focused on their core product. Harder conditions have forced us to look at whether we are getting it right or not.

Customer expectations have changed, too. The rapid roll-out we have seen in the past few years left people with too great an expectation; every few months they could have a show around a new club and it always looked nicer than the last. Now customers have taken a step back and evaluated clubs on personalities. They are settling back into the clubs they feel most comfortable in, rather than the newest. And this is why operators need to differentiate.

Scott Lloyd, Managing Director, Next Generation Clubs

Attracting more members



Andreas Göthberg

For the Nordic fitness club industry, growing the number of people who work out on a regular basis is doubtless one of our biggest challenges. Penetration in the Nordic countries remains low compared to, for instance, the United States. Further, Nordics still haven't fully embraced the fitness club mindset. Our industry, therefore, must promote fitness training's positive effects and demonstrate an array of workout choices.

Nordic-wide public debate about health and wellbeing will also encourage people to join clubs. "Diseases of civilization" are becoming increasingly prevalent, affecting not only individuals and their employers but also society as a whole. Governments in certain Nordic countries have implemented tax breaks for businesses that pay for employee wellness and fitness programs. This, of course, is great news for the fitness industry, which can hone its offering to meet a spectrum of workout needs. Fitness chains, leveraging a broad range of services and the ability to provide feedback on employee fitness programs, will be best served by forging long-term relationships with corporate customers. Furthermore, those that succeed will see dramatic business growth.

As head of the Nordic region's leading fitness club chain, I'm often asked what we're doing to grow the number of Nordics that work out. My answer is always the same: SATS does its part by ensuring access to fitness clubs where people live and work. Expert personnel capable of driving enthusiasm and customizing fitness programs, moreover, is extremely important in countries where working out has yet to become a natural part of daily life. But I'm confident that Nordic penetration will increase markedly going forward. Leading this evolution will be a major task for SATS.

Andreas Göthberg, President and CEO, SATS

Focusing on staff development

The challenge in the next year is putting into practice everything we have been talking about for the last 10 years.

In the past we have concentrated on selling; we have been famous for it, and this has been our focus rather than our fitness teams, our reception staff and our delivery. We all need to survive but now the emphasis is on blending good sales with delivery.

To do this, I think, we need to concentrate on the core of our offer and that is motivating the member to participate in regular exercise. We can all build great clubs and fill them with fantastic equipment but there is a dawning realization that we have to be credible in the advice we give people who come through our doors. The Register of Exercise Professionals is important in this.

We have to recognize that, as operators, we can only deliver what our team member delivers. This means ensuring we have the right people in our facilities; i.e., staff who are skilled and who can build relationships with our customers. To achieve this we have to pay more than the minimum wage.

Following the government's White Paper it is vital that we work with the healthcare sector. We need to be the natural choice for doctors to refer their patients to get advice on eating and exercising. But we need to be a lot better at giving people dietary advice: most people join a gym to lose weight but this is an area we haven't focused on enough.

Members are not looking to us just for fitness products but where to go for healthy food. Years ago in hospitals you could go downstairs to the shop and buy cigarettes. That is unthinkable today. Well, why is it that health clubs give people advice on dieting and then sell them chocolate in the cafe? It is not a consistent message.

None of this is new; we all know what we should do, but we have to do it well and consistently in order to succeed.

Patrick Fitzgibbon, Managing Director, LivingWell



Patrick Fitzgibbon

Lobbying governments

There are a number of key challenges facing the industry in Europe in the next few years. First, there is the whole subject of human capital - the people who provide us with the quality human resources so necessary to run our businesses.

Aspria is small enough to treat our staff as individuals and yet large enough to offer significant internal promotion opportunities between clubs and even



Brian Morris

countries. There are, however, simply not enough potential employees who have received the same degree of relevant training as that found in the U.K. or U.S.A. This is particularly true where we are looking for both a strong service ethic and technical proficiency. We are often faced with potential employees that have only one attribute, and we must try to train them in the other or look elsewhere.

Secondly, there is the urgent need to raise the collective health consciousness in most European countries, and communicate the real benefits that a healthier lifestyle and a club membership can provide people with.

Next, there is the need for the politicians and governments of certain major European countries to finally respond to the cries from business leaders for more flexible and neutral employment rules and procedures. We look forward to a level playing field between employer and employee being the case in most European countries. Otherwise countries and the businesses that operate within them will cease to be able to offer competitive and profitable clubs.

Finally, we need to band together as an industry to lobby European governments to set their VAT rates for health club membership at lower or zero rates to encourage a greater participation in club membership. This will lead to a healthier nation with reduced reliance on the various national health systems.

There are simply not enough potential employees who have received the same degree of relevant training as that found in the U.K. or U.S.A.

The harmonization of rates across all the major European countries is as unlikely as it is unnecessary. All we are looking for are discounted rates for health club operators to provide them with a competitive advantage and encourage the take up of membership and a healthier lifestyle. The benefits to the relevant governments and expenditure from tax revenues are well documented but not yet taken seriously enough.

Brian Morris, CEO, Aspria Group

Creating a multisensory experience

One of the biggest challenges for operators, and the industry overall, is attraction and retention. To keep members interested and continue to attract more and more users, awareness needs to be increased. This can be done through education that creates wellness awareness. More initiatives mean more people more active more often. People have to understand the benefits of what we call the Wellness Lifestyle. Clubs have to invest in education and provide not just the venue, but



Nerio Alessandri

services that meet clients' various needs—emotional, psychological and physical.

Another element that is often underestimated is teamwork. Everyone in the industry must cooperate and strive together to drive the sector forward. In this way, one person's victory is not another's defeat, but an added bonus, an assistance, for the success of the industry as a whole. Producers and operators are part of the same team.

Innovation and atmosphere are key elements that not only grab the attention of potential clients, but also help to keep it. Innovation in the industry, with equipment and methods, is one aspect. A club atmosphere that embraces members is also a must for retaining clients. A holistic approach to creating a wellness atmosphere is where the future lies. Product and environment must be designed to present a multisensory experience. A client that is satisfied marries their club, and in turn promotes it as well. They are those customers who turn to their friends and colleagues and say, "go go go!"

Nerio Alessandri, President and Founder of Technogym

Growing like-for-like sales

The key challenge for the future will be in driving the yield per member through sales, retention and additional revenue. The reason for this is that costs are going up and, unless we can get like-for-like sales growth, our business will come to a standstill.

We need to demonstrate to owners of the industry, whether they are fund



Fred Turok

managers, shareholders, private equity companies or individuals, that we have the capacity to grow these businesses.

Only when we are truly commercial will we be able to fully respond to, and capitalize on, the growing needs that have arisen through the obesity problem. There have been huge initiatives instigated by the food industry, FIA, government and charities. They need and want our support and contribution to end this epidemic.

Our product is good: every piece of research these days proves that exercise prevents or alleviates just about every illness. But we need to be able to deliver our programs consistently well, and targeted to specific needs. There is nothing complicated about building a gym but we need to improve our systems and the skills of the people we employ.

Generally our staff don't have sufficient core skills to make a difference to people's lives, to provide the necessary support to individual members, and thus drive retention. Staff members have great attitude but not the skills. We need to equip them. We can only invest in our people if the business model creates sufficient like-for-like profit growth for us to be able to do this.

We also still have appalling management systems so this means we are not measuring sufficiently closely what is effective, what is working.

The industry has to consolidate—there are far too many small players and the quality of service is patchy.

The industry has to consolidate—there are far too many small players and the quality of service is patchy. We need to drive the industry upwards, and consolidation will bring consistency and economies of scale.

For other developments in the future, I think we will come to charge for services that previously have been offered free. We will provide targeted programming and then provide additional service add-ons to our memberships so that there will be more fees available than just the monthly dues. I believe we will also see more products on offer in the club; people are already buying dietary products and healthy food, so why shouldn't they buy it from us? And we will increasingly enter into commercial partnerships where companies will pay to access our databases. They will want to raise their profile and customer base on the back of our brands.

Fred Turok, CEO LA Fitness

Leveraging consumer interest

In Russia, the basic hardship we face is very high prices for rent. We also face rather weak support for fitness from the federal and



Olga Sloutsker

municipal authorities. But the number of people that are ready to join a health club is continually growing. In 2004, we opened three new fitness clubs in Moscow and three new franchises in the regions. About 6,000 people from more than 400 states, including Russia and CIS, took part in our convention in 2004. This proves that interest in fitness has risen, professionals seek more knowledge, and amateurs strive for sport. As a result, there is growing interest on the part of investors in the fitness industry.

Olga Sloutsker, World Class Russia

Branding the product

Quality and credibility, together with collective and authentic marketing to the consumer, are key challenges facing the industry going forward. Innovations and products, which meet the customers' expectations and needs, have to be invented or re-invented in a creative new way.

We need to recognize changing markets and respond to the population's changing consciousness. Reacting quickly and professionally is the challenge.

Keeping our promises in front of the media is not always easy but necessary to increase consumer confidence.

In addition to the trend of the amalgamation of health, prevention and beauty, brand consciousness will be important in the future.

Paul Underberg, INJOY Quality Cooperation Gmb

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Latin American MARKET

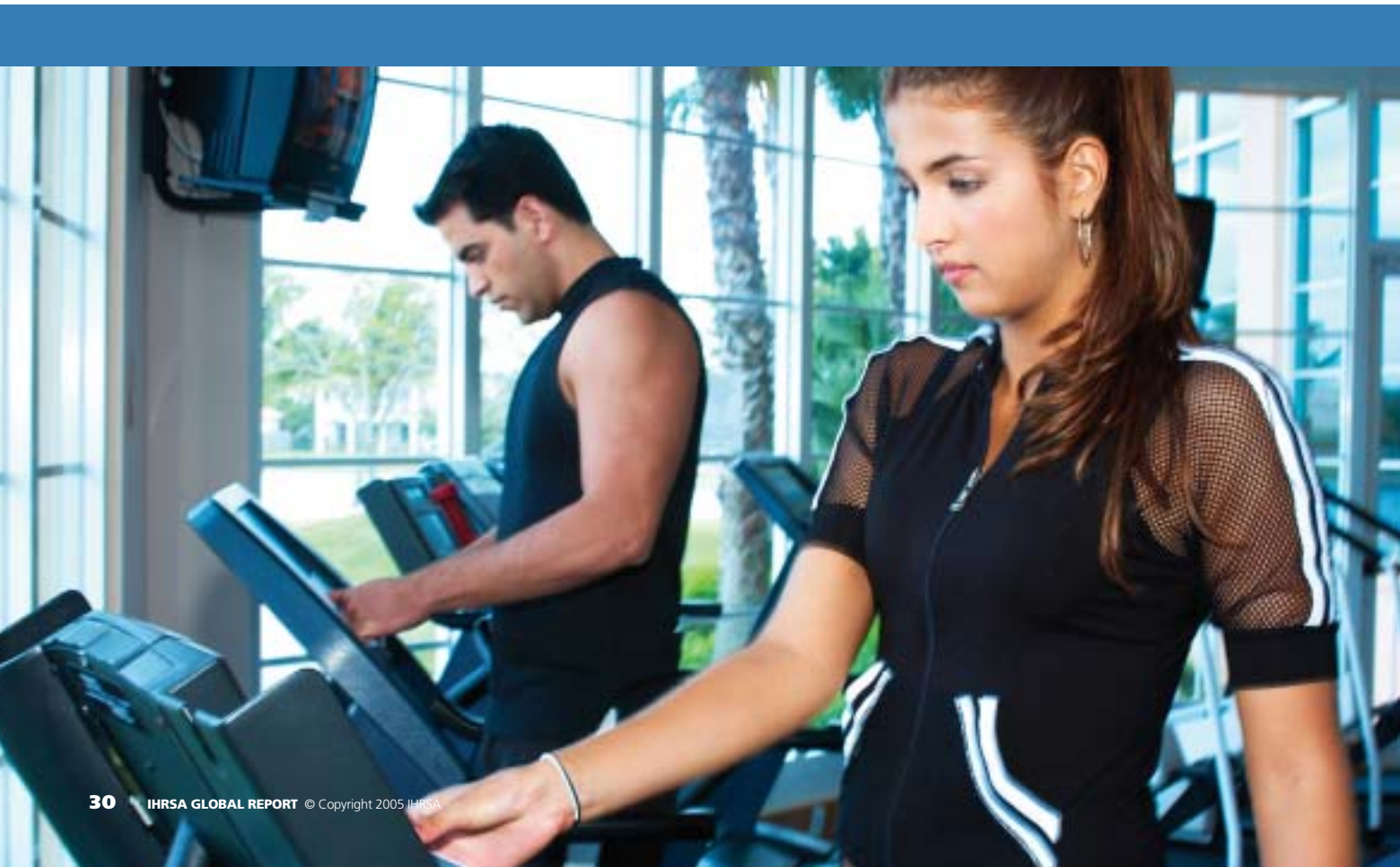
CONSUMER HEALTH CONCERNS drive business growth in the face of economic challenges

By Rafael De Marco and Chris Bolton

The figures are encouraging. The closing balance for the year 2004 shows that the Brazilian fitness industry grew by 8% when compared with the previous year, with a turnover of R\$3.25 billion (around US\$1.08 billion), including fitness equipment sales. For the year 2005 the market forecasts growth around 5%, which means a turnover of R\$3.41 billion (around US\$1.13 billion), according to Fitness Brasil.

“This is a good time for the industry,” says Waldyr Soares, Chairman of Fitness Brasil. “People are willing to exercise not only to be in shape, but also to be healthier. If health clubs focus their strategies on the concept of wellness, they are expected to grow and make a profit.”

Soares believes that club membership in Brazil is likely to double by 2007 and the biggest growth potential lies in children,



people in their thirties, and in the so called “special groups”: the elderly, injured or disabled, pregnant women, people with heart problems, and diabetics.

In Mexico, 2004 turned out to be a year of consolidation and adaptation to a precarious economic situation in general. Still there is great optimism in the fitness industry for a “healthy” future, especially among the growing middle class.

Other Latin markets, like Argentina, are thriving, with chains expanding and opening new facilities. The CEOs of large chains share a cautious optimism for the business over the next year. They believe the fitness industry will continue to grow and expand, but economic instability and high interest rates are still obstacles to be overcome in Latin America.

With or without turbulence, the industry goes on. And it has potential to grow even more.

Increasing health concerns boost business



Richard Bilton

The Brazilian market has shown enormous potential for development. Although nowadays only 2% of the population pays to be a club member, the trend is towards a change in this scenario. Club membership is valued more and more because of concerns about health problems caused by a sedentary lifestyle and obesity. Also spurring growth is the increasing variety of activities especially designed to meet the needs of people who live and work in

big cities; for example, anti-stress and short-circuit programs aimed at those who have little time to exercise.

Although the expectations are high, we cannot forget the influence of the oscillating Brazilian economy, which affects all industries, including the fitness industry. The stabilization of inflation has allowed us to continue the expansion of our company, and we are now celebrating 20 years in business. However, a high tax burden has been restricting the possibility of an increase at the desired level. We are directly affected by the cost of capital in Brazil, which is one of the highest in the world.

Richard Bilton, Director, Companhia Athletica

Improving the quality of life

Despite the difficulties and oscillations of the financial market in our country, the fitness industry has grown considerably. Due to growing consumer interest in health and quality of life, our market has shown good growth prospects for health clubs as well as for the sale of equipment and home fitness.

The biggest challenge lies in the purchasing power of our clients. We need to prove that we are able to offer them ways of maintaining good health—and that good health is priceless. People tend to spend more to keep or start a healthy lifestyle, which is why our industry is likely to continue growing despite the difficulties and troubles of the moment.

Among the market forces for the year 2005, I think there will be an increase in the number of people involved in mind/body activities and functional training, an increase in the number of clubs (2,000 sq. meter maximum) in suburbs, a growing penetration in the corporate market, and a rising number of special groups—for example people in their thirties and people with chronic-degenerative diseases that require individualized attention. So, in order to survive, clubs must adapt to new trends. They must become well-being centers and offer their members a range of activities aimed at improving their quality of life as a whole rather than focusing only on physical and aesthetic aspects.

José Antonio da Rosa, Founder and Partner, Body Tech

Expanding industry to smaller markets

One of the consequences of the development of the fitness industry is a change in the profile of club management. Until not long ago, this was considered a family and amateur business. Now, we have to become more professional.

Brazil is fourth in the rank of countries worldwide in terms of industry investment. The market penetration rate is still low.

There are several factors signaling a better scenario for the fitness industry: the opening of several new clubs, not only in capital cities but also in smaller ones; the development of programs to meet the needs of special groups, such as people in their thirties and pregnant women; and other areas—like dietary supplements—that remain to be explored.

The opening of gyms at social clubs and condos can attract potential clients. The parallel market is a serious problem, though. As a last word, after 23 years of experience in the fitness market, if I were to give you the recipe for success, I would say, delight your clients every day!

José Marfará, CEO, Reebok Sports Club



José Marfará

Growing the corporate market

Due to the fact that companies have been worrying more and more about their employees' quality of life, there will be an increase in the opening of gyms in office buildings and a resulting growth in the corporate market.

Another trend for the year 2005 is related to technological advancements, which will make services, like classes, available through the Internet and provide equipment that provides more accurate data to better control training plans.

Gyms installed in office buildings will have to adapt to the schedule of the employees on work days; on weekends the gyms can be a kind of club for employees and



Marco Antonio de Souza Lara

their families. They must also adapt to fit this new type of client, with specialized professionals; dealing with their families involves professionals for different ages and interests.

To serve clients at their workplace, and during their free time, health club companies may have to open more units. This may lead to franchising and gyms inside flats, commercial buildings and condos; clients would be allowed to use any of the facilities of the chain.

It is essential to have the necessary equipment to monitor information about the user (training plan, personal information, medical information), and the development of this equipment will follow the technological development of the industry.

Marco Antônio de Souza Lara, Administrative Director, Bio Ritmo

Searching for investors



Mário Sérgio Luz Moreira

Since we started our business in 1983, the Brazilian government has fluctuated between good times and bad. The truth is that, if we were to depend on the financial scenario, we could never have started it.

I do not think the expectations for the year 2005 are good. There are still too many vacancies and too few members at clubs. So, some clubs are likely to close down and amateurs are likely to enter the market, making the situation even worse.

The opportunity for growth lies in investment from other sectors; those investors would join their capital with the expertise of those who are in the fitness industry. One of the biggest problems is the lack of available financing; when we find it, short-term financing is highly taxed.

One trend is the polarization between powerful networks and small businesses managed by a family at low cost. Medium-sized companies might have trouble in the future.

That is why the fitness sector in Brazil must, in the short-term, negotiate tax rates with the federal government. The combination of payroll taxes, municipal taxes and net income taxes place an abnormally high cost on health clubs. If the situation does not change, some companies will have to close down or enter the parallel market.

Mário Sérgio Luz Moreira, President, Runner

Increasing sales while fighting inflation

In the past two years, following the 2002 economic crisis, the Argentinean economy has grown over 8% a year. A growth rate of 6% or more is predicted for 2005. With this growth, the prospects for the fitness sector have improved considerably. Megatlon, for example, has shown a gradual increase in sales. On the other hand, there are certain fears related to our country's economic situation, especially the fear of a rise in inflation.

I believe that the prospects for the fitness market in 2005 are encouraging; for Megatlon it means the opening of new clubs. The

greatest opportunities lie in the society's increasing preoccupation with health. People, especially the elderly, are willing to improve their lifestyle by exercising regularly. So, the Argentinean fitness industry will prosper through consumer recognition of the relationship between physical activity and health.

Fernando Kleiman, Director, Megatlon

Teaching the public to budget for health

The public still needs to differentiate between wellbeing and the physical beauty aspect of exercise. Our company will be focusing on the middle class and the under 25 age segment of the market; roughly 75% of the population in Mexico is under 25 years of age. Our goal is to help people realize that budgeting for health and exercise should be at the same level as education and entertainment.

Marcos Alcocer, President, Organización Britania



Marcos Alcocer

Introducing a new model for the low-end market

We target the upscale market in Mexico and plan to open more clubs targeting that demographic in strategic cities. At the same time, we feel that while people at the lower end of the market want to make changes in their lifestyles, the standard of service at that level does not meet their expectations. For that reason, growth has not been possible. Sports World intends to aggressively attack that segment with a new model at prices that are accessible for this segment.

Hector Troncoso, Managing Director, Sports World



Hector Troncoso

Building loyalty

Sport City opened six clubs in 2004, with another six under construction for this year in Guadalajara and León in the interior, and Cuautitlán, Gran Sur, Lomas Verdes and Villa Coapa in the metropolitan Mexico City area. Our focus remains on the upscale market with innovative services and programs designed to achieve loyalty among our clients.

To do this, we must also focus on helping our staff to improve. For that reason, we have formed the Sport City University so that we can develop highly trained personnel.

Alejandro Martí, President, Sport City



Alejandro Martí

Asian and Australian MARKET

WHILE AUSTRALIA RAMPS UP TO SATISFY MARKET DEMAND,
JAPAN RETOOLS TO SEIZE AN AGING MARKET



By Brian Ellis and Tomoko Iwai

Whether a major club group, single facility operator, equipment supplier, training organization or industry association, the mood in Australia is confident and the message strong. The fitness industry in Australia is in a very positive period with strong growth being reported from all participants and with a very bullish outlook for the future.

In Japan, the current challenge is marketing. In the case of existing clubs, companies need to revitalize and freshen their facilities and market the changes. New clubs benefit simply from being new, but nevertheless need to emphasize their unique qualities, strengths and charms in marketing campaigns.

Industry leaders in Japan also emphasize the importance of developing and introducing ►

new programs. New opportunities are expected to rise with the aging population. The change of the long-term care insurance system in 2006 will require older citizens to participate in strength training programs before using the other supporting services provided by the system. Another change favoring the industry is the new governmental policy that requires the management of all public facilities to be shifted to private (commercial) enterprises or groups by August 2006.

Investing in fitness equipment

We obviously judge industry growth on our own sales and we have seen serious growth in our business, around the 25% mark, over the past year.

While we have not seen as many new facilities opened compared to the previous two years, we have seen greater emphasis on the amount of equipment being installed.

We have also seen a new trend with clubs doing repeat purchases of equipment within a three-to-five year time frame. We see this increased investment in equipment being used as a catalyst to inspire people to exercise.

Most manufacturers today are looking closely at how to entertain members of fitness centers. This is causing an industry shift as to what type of equipment best will cater for their members.

I believe the industry has grown substantially in professionalism and is today providing higher levels of service to a greater number of people.

Derek Hill, Commercial Sales Manager, Life Fitness

Focusing on compliance



Diana Williams

We now have over 60 clubs Australia wide, and have had an excellent year with an overall growth of about 20%. We believe we have a good business model for future growth.

Our focus on compliance issues has become important within the franchisee operations, and this is making us once again look at certain overseas markets such as New Zealand and South Africa.

While I see the industry as maturing, I see it becoming more normal for people to consider the need for exercising

and there is an overall positive societal change of attitude towards the industry. It does have more credibility now and is seen in a better light by financial institutions.

Of course, we are conscious of the challenge coming from boutique operators such as Curves and Contours Express who have entered the Australian market recently. The other operational issues we face are matching the demographics of members and turnover of staff. Weight loss programs are becoming an important part of the services we offer.

Diana Williams, Managing Director, Fernwood Fitness

Developing an 'army' of professionals

As co-owner of a single club facility—we are celebrating 25 years in business this year—I have found that despite having other facilities open in the near vicinity, our membership has strengthened.

The greatest opportunity for the industry comes from the need to virtually drag the general public from a state of leisure and inactivity into a state of regular exercise that will result in their improved health and general wellness.

I see a great need for an army of fitness professionals to deliver empowering exercise solutions to the inactive. Unfortunately, the need is in thousands while the problem is in millions.

I have concern that to meet this need, the industry is recruiting mainly young people and while the pathway to qualification is relatively short, experience is critical to convey the right message to the public.

Susan Kingsmill, Co-Owner, Hiscoes, and President of Fitness Australia



Susan Kingsmill

The greatest opportunity comes from the need to virtually drag the general public from a state of inactivity into a state of regular exercise.

Recruiting older staff

I see the large 40-plus market, mostly made up of people who want to maintain their youth, as the major growth area. Increases in clubs, facilities, services and instructors will be required to meet the needs of this group.

The continual demand for certified staff has recently seen our organization upgrade to larger premises with our goal to deliver quality people to the industry.

The government and media attention to the obesity problem has seen an increase in people wanting to come into the industry seeking the Certificate 4 status to qualify them as personal trainers, which virtually ensures their career opportunities.

This situation immediately identifies the challenges that face the industry. Data from IHRSA indicate that 45% of new members joining clubs are coming from the baby boomer market yet the age range of those working to provide services to these members is 19 – 25 years.

Another concern is the statistic that 40% of employees are transient because they are finding limited career pathways, with the average time spent in the industry being two to three years.

I strongly believe there is a need to actively source second career people. Aside from this group being able to better relate with an older membership, there is a greater chance that they will stay in the industry for a longer period.

I am incredibly optimistic about the industry. I believe it has moved from promising results to delivering on promises.

*Nigel Champion, Managing Director,
Australian Fitness Network*

Positioning for growth



Steve Dale

This past year, we introduced a new IT software management system, upgraded five flagship clubs, and opened a new club in Queensland. We've had 17% overall growth, including 15% in membership, so it has been a very positive year.

Our performance reflects the fact that the Australian market is incredibly buoyant and certainly nowhere near saturation. I feel it is a good four to five years behind the American market in its maturity.

In the the current climate with government concerned about the obesity crisis, with strong branding coming to the fore and the industry being seen more and more as a primary health care provider of services, the market can definitely expand on the proviso that there is growth in facilities and clubs.

The challenge for the industry will be to keep up with the demand for human resources needed to manage continuing growth. I believe that there is a direct correlation between holding onto good employees and the retention of members in our clubs.

In summary, I see Australia as a place of abundance in this industry if you position yourself correctly in the market place and make the necessary investment.

Steve Dale, CEO, Zest Health Clubs

Changing the industry's thinking



Ian Grainger

The industry is ideally placed to take advantage of public awareness and governments' focus on the need for increased physical activity and regular exercise.

The major breakthrough the Association has achieved is having the industry represented on the Australian Government's Agenda as a potential partner for future delivery of health solutions.

This is evidenced by Fitness Australia being now on the National Obesity Task Force and invited to be a provider

of services for a Diabetes Type 2 Prevention Program. In addition, we saw Tony Abbott, the Australian Minister for Health, open the 2004 Asia-Pacific IHRSA Forum in Sydney.

However, from a personal perspective, I do not see that the industry is geared as yet to take advantage of this opportunity.

The majority of operators seem willing to increase access for different age groups and varying levels of fitness, but most also appear to be continuing to focus on their established population segments and using traditional marketing practices that are essentially price driven.

This lack of ability to offer real alternatives, or choosing to ignore these new areas of business, increases the opportunity for entry by niche market operators who may or may not have the same standards of professionalism that have now been established for the main stream industry. This situation will continue until the industry makes some real changes.

Ian Grainger, CEO, Fitness Australia and Fitness NSW

The majority of operators appear to be continuing to focus on their established population segments and using marketing practices that are price driven.

Growing personal training

We finished our fourth year of business in a row ahead of budget and added eight more clubs over the past year. Business remains very strong despite the entry of more boutique and express centers that are expanding quite rapidly.

We are also becoming our own competitor with expansion. Nevertheless, our initial goal is still 100 centers Australia wide, and later we will look for other opportunities.

For now, personal training is strong where we are developing small group session practices and concentrating on retention. We know the longer members train, the better the results, the longer they stay. We are also looking to segment our new members, especially those who are de-conditioned. We will be offering more hands-on orientation to this group.

Australia is a wonderful market, even though we compete against the great outdoors.

*Tony de Leede,
Managing Director,
Fitness First
Australia*

Tony de Leede



Meeting diverse needs of members



Haruo Yamamoto

Due to the increase of the burden of medical costs on each patient and the corresponding rise in public interest for taking preventive measures, fitness clubs have become more prominent, and the penetration rate of the population has been increasing gradually.

We are seeing a diversification of customers' needs and expectations for clubs, particularly with the emergence of the aging market.

To meet the changing needs of our members, we need to create new programs. We also need to renovate facilities, installing new items such as various baths, spa-treatment, rehabilitation, and so on. It is important to make exercise fun and motivating by using the latest technology for fitness equipment and health management systems.

Moreover, we are not only improving our offer and increasing participation in the commercial sector, but we are also doing the same for the public operations by participating in the management of public sector facilities. It is our mission to help increase the penetration rate for exercise and thereby contribute to the development of a society in which people can maintain their health and live longer.

Haruo Yamamoto, President, Konami Sports Corporation

Fitness clubs have become more prominent, and the penetration rate of the population has been increasing gradually.

Increasing market penetration



Tadaharu Goto

We must expand the fitness market and to that end we need to employ various means to increase the penetration rate from 3% to 10% of the population. We plan to focus on the older adult market, which has a higher retention rate than other segments, by providing a wider variety of programs, introducing medical affiliated programs, barrier-free facilities, and becoming a service provider for the long-term care insurance system.

It is also important to develop new business models as well as promotions

initiated by the industry to make people feel more comfortable in health clubs and motivate them to participate.

Tadaharu Goto, President, Central Sports Co., Ltd.

Creating connections with the medical community

In terms of sales, the market share of four major companies in the Japanese fitness market reached 51% in fiscal year 2003, and seems to have increased even further in fiscal year 2004. The stock prices of four listed companies have remained steady.

Looking at the Japanese fitness market on a global basis, we can say that our market is in a very unique situation in terms of consolidation and stability. It is also unique in that we don't have any clubs that are directly owned or managed by foreign enterprises, except a few franchised or licensed chains such as Gold's Gyms, Wow! Work Out Worlds, and Curves.

The hot topic in our market at present is creating connections with the medical community and the long-term care insurance system. Furthermore, I think the launch of Curves will stimulate and promote the development of smaller sized clubs of approximately 1,000 to 2,000 sq. ft. without swimming pools.

Toshikazu Saito, CEO, Renaissance Inc.



Toshikazu Saito

Capitalizing on the aging market

The population of Japan is forecast to peak in 2006 before beginning to fall as deaths exceed births. This is when the "declining birth-rate and a growing proportion of elderly people" will become apparent. I think it is a mistake to think this will diminish business opportunities, as is claimed by some people.

From my experience, it should create new business opportunities. Japanese citizens will become more health oriented, and the demand for high quality products will only strengthen. It is necessary for us to seize the chance by providing products aligned with the changes in demand.

Tipness is increasing the pace of new club openings to increase the market penetration rate, and focus on providing high quality services and programs to support improvement in the customer's quality of life.

Tommy T. Tamori, President, Tipness Limited



Tommy Tamori

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When your goal is just to sell a product, your Olympic bar design is finished when it's "good enough". When your goal is perfection, you're never finished, never satisfied, even 123 Design cycles later! For example, a tensile strength of 150,000 PSI is "strong enough" for most manufacturers. We heat treat our stainless steel bar to 218,000 PSI, because our tests tell us anything weaker will bend. Most think bar stock is "straight enough" if it meets the mill standard of 89/1000 inch over the 7 foot length of the bar. We further straighten our bar to a tolerance of 10/1000 inch, because anything less straight will cause rotational torque during heavy lifting. Most think there is a coating or plating that is "durable enough". We chose stainless steel because it needs no coating, so there's nothing to peel off, chip, or rust. Most think a bar is "safe enough" just because it's made of steel. We ultrasonic test and magnetic particle test every bar to detect internal and external cracks that can cause the bar to snap. The International Powerlifting Federation (I.P.F.) counts our stainless steel Olympic bar among the very few that it approves for International Competition. We appreciate the endorsement, I.P.F., but we're pressing ahead with Design No. 124 anyway.

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Leading Club COMPANIES

Revenues are reported in U.S. dollars, except where noted. The U.S. dollar equivalent is included for those companies reporting in other currencies, specifically, the British pound, the European euro, the Swedish kroner, the Japanese yen, the Brazilian real, and the Australian dollar. All currency conversions reflect the rate in effect on April 15, 2004. The rates being used are as follows:

USD \$1.00

= € 0.763939

= SEK 7.01760

= £ 0.521076

= AUSS\$ 1.29039

= BRZ 2.56360

= ¥ 106.875

United States regions:

Geographic regions include the following states. (Companies listed as having clubs in a particular geographic region may not have clubs in every state in the region.)

New England: CT, ME, MA, NH, RI, VT

Middle Atlantic: NY, NJ, PA

South Atlantic: DE, DC, FL, GA, MD, NC, SC, VA, WV

East North Central: IL, IN, MI, OH, WI

East South Central: AL, KY, MS, TN

West North Central: IA, KS, MN, MO, NE, ND, SD

West South Central: AR, LA, OK, TX

Mountain: AZ, CO, ID, MT, NV, NM, UT, WY

Pacific: AK, CA, HI, OR, WA

UNITED STATES

24 Hour Fitness Worldwide

www.24hourfitness.com

12647 Alcosta Boulevard
Suite 500
San Ramon, CA 94583

Phone: 925/543-3100

Fax: 925/543-3200

Founded: 1983

Number of clubs

2004: 352

(343 owned, 9 licensed)

2003: 318

2002: 314

2001: 299

2000: 290

Number of members:

2,800,000

Principals: Various

CEO: Mark S. Mastrov

Media contact:

Shannon May, 925/543-3184

Markets served: U.S. (South Atlantic, West South Central, Pacific, West North Central, East South Central); Asia

Comments:

At press time, 24 Hour and Forstmann Little & Co., a New York private investment firm, announced that they had signed a definitive agreement for Forstmann Little funds to acquire the company. The total value of the transaction is approximately \$1.6 billion.

Revenues

2005: \$1.1 billion (projected)

2004: \$1 billion

2003: \$958.4 million

2002: \$887.7 million

2001: \$791.2 million

2000: \$642.1 million

ACAC Fitness and Wellness Centers

www.acac.com

923 Gardens Boulevard
Charlottesville, VA 22901

Phone: 434/974-9890

Fax: 434/978-4982

Founded: 1984

Number of clubs

2004: 6 (2 owned,
2 managed, 2 licensed)

2003: 1

2002: 1

2001: 1

2000: 1

Number of members: 17,500

Principals: Phil Wendel

CEO: Robin Cordle

Markets served:

U.S. (South Atlantic)

Comments: We plan on purchasing one other club and have undergone significant construction of our existing facilities—expand kids' facilities, expand fitness centers and update existing clubs.

Revenues

2005:

\$20.2 million (projected)

2004: \$17.2 million

2003: \$7.7 million

2002: \$6.8 million

2001: \$5.9 million

2000: \$5 million

The Alaska Club

www.thealaskaclub.com

5201 East Tudor Road,
Anchorage, AK 99507

Phone: 907/337-9550

Fax: 907/337-5865

Founded: 1986

Number of clubs

2004: 14 (14 owned)

2003: 13

2002: 13

2001: 12

2000: 10

Number of members: 52,000

Principals: Andrew H. Eker/
Thomas Behan

CEO: Andrew H. Eker

Media contact:

Jenny Evans, 907/264-2739

Markets served: U.S. (Pacific)

Comments: Plan to expand two clubs in the next year.

Revenues

2005: \$29 million (projected)

2004: \$28.3 million

2003: \$27.6 million

2002: \$25.7 million

2001: \$20 million

2000: \$17.7 million

American Leisure Corporation

www.americanleisure.com

2 New Hempstead Road,
Suite 214
New City, NY 10956

Phone: 845/638-2201

Fax: 845/638-6887

Founded: 1967

Number of clubs

2004: 65

(1 owned, 64 managed)

2003: 64

2002: 65

2001: 63

2000: 68

CEO: Steve Kass

Media contact: Terry Wieszycski,
845/638-2201, ext. 106

Markets served: U.S.

(New England, Middle Atlantic,
South Atlantic)

Bally Total Fitness Corporation

www.ballyfitness.com

8700 West Bryn Mawr Avenue
Chicago, IL 60631

Phone: 773/380-3000

Fax: 773/399-0476

Founded: 1962

Number of clubs

2004: 440
2003: 420
2002: 430
2001: 385
2000: 384

Number of members:

3,992,000

CEO: Paul Toback

Markets served:

U.S.; Canada; Caribbean;
China; Korea; Mexico

Revenues

2004: \$1.2 billion
2003: \$954 million
2002: \$911 million
2001: \$852 million
2000: \$786 million

Brick Bodies Fitness Services, Inc.

www.brickbodies.com

201 Old Padonia Road
Cockeysville, MD 21030

Phone: 410/252-8058

Fax: 410/560-3299

Founded: 1986

Number of clubs

2004: 7 (5 owned,
1 managed, 1 licensed)
2003: 7
2002: 6
2001: 6
2000: 5

Number of members: 14,000

Principals: Lynne Brick, C.
Victor Brick

CEO: C. Victor Brick

Media contact:

Carolyn Stinson, 410/833-1880

Markets served:

U.S. (South Atlantic)

Comments: We plan to open 2 new clubs and expand on existing co-ed from 15,000 sq. ft. to 45,000 sq. ft. The two new clubs will be one co-ed and one women only.

Revenues

2005: \$9.4 million (projected)
2004: \$8.7 million
2003: \$8.3 million
2002: \$7.2 million
2001: \$6.1 million
2000: \$5.1 million

ClubCorp

www.clubcorp.com

3030 LBJ Freeway
Dallas, TX 75234

Phone: 972/243-6191

Fax: 972/888-6239

Founded: 1957

Number of clubs

2004: 190
(180 owned, 10 managed)
2003: 190
2002: 190

Number of members: 190,000

Principals:

Robert Dedman, Chairman

CEO: John Beckert

Media contact:

Lisa Kislak, 972/243-6191

Markets served:

U.S.; Australia; China; Mexico

Revenues

2005: \$992.2 million (projected)
2004: \$901.9 million
2003: \$858.6 million
2002: \$853.3 million

Club One, Inc.

www.clubone.com

555 Market Stret
13th Floor
San Francisco, CA 94105

Phone: 415/477-3000

Fax: 415/477-3001

Founded: 1991

Number of clubs

2004: 104
(14 owned, 90 managed)
2003: 90
2002: 80
2001: 60
2000: 40

Number of members: 100,000

Principals: John and Jill Kinney

CEO: Robin Klaus

Media contact:

Jill Kinney, 415/288-1020

Markets served: U.S. (East North Central, South Atlantic, West South Central, Pacific)

Comments: Club One will grow our "wellness and fitness points of access" through operating more corporate fitness centers and more clubs.

Revenues

2005: \$70 million (projected)
2004: \$73 million
2003: \$67 million
2002: \$50 million
2001: \$51 million
2000: \$45 million

Columbia Athletic Clubs

www.columbiaathletic.com

11400 98th Avenue NE
Suite 300

Kirkland, WA 98033

Phone: 425/814-5300

Fax: 425/814-1397

Founded: 1980

Number of clubs

2004: 5 (4 owned, 1 managed)
2003: 6
2002: 5
2001: 5
2000: 5

Number of members: 7,474

Principals: H. Cyrus Oskoui

CEO: H. Cyrus Oskoui

Markets served: U.S. (Pacific)

Comments: We do not plan on adding any additional clubs in 2005. We will focus on adding amenities and programs.

Revenues

2005: \$12.5 million (projected)
2004: \$12.7 million
2003: \$10.9 million
2002: \$10.4 million
2001: \$9.6 million
2000: \$8.7 million

Contours Express, Inc.

www.contoursexpress.com

156 Imperial Way
Nicholasville, KY 40356

Phone: 877/227-2282

Fax: 425/920-0534

Founded: 1998

Number of clubs

2004: 354 (franchised)
2003: 266
2002: 110
2001: 42
2000: 21

CEO: Daren Carter

Media contact:

Susan Frank, 877/227-2282

Markets served: U.S.; Africa; Australia; Brazil; Canada; Ireland; Mexico; Spain; U.K.

Revenues

2005: \$6 million (projected)
2004: \$4.5 million
2003: \$3.9 million
2002: \$1.3 million
2001: \$744,000
2000: \$799,000

Curves International

www.curvesinternational.com

100 Ritchie Road
Waco, TX 76712

Phone: 254/399-9285

Fax: 254/741-9349

Founded: 1992

Number of clubs

2004: 8,500 (franchised)
2003: 6,733
2002: 5,000
2001: 2,221
2000: 1,258

Number of members:
3 million+

Principals:

Gary and Diane Heavin

CEO: Gary Heavin

Markets served: U.S.; Australia; Argentina; Brazil; Canada; Central America; Chile; France; Greece; Ireland; Italy; Mexico; Netherlands; Portugal; Spain; U.K.

Cuts Fitness for Men

www.cutsfitnessformen.com

1120 Rartan Road
Clark, NJ 07066

Phone: 732/381-9300

Fax: 732/574-1130

Founded: 2003

Number of clubs

2004: 85 (franchised)
2003: 35

CEO: John Gennaro

Revenues

2004: \$3.5 million

DMB Sports Clubs, LP

www.dmbclubs.com

7477 East Doubletree
Ranch Road
Scottsdale, AZ 85258

Phone: 480/609-6979

Fax: 480/609-6976

Founded: 1975

Number of clubs

2004: 4
2003: 3
2002: 2
2001: 3
2000: 4

Number of members: 8,000+

Principals: DMB Associates

Media contact:

Alan Cohen, 602/421-3269

Markets served:

U.S. (Mountain)

Revenues

2004: NA
2003: \$17 million
2002: \$15.2 million
2001: \$15.3 million
2000: \$13.3 million

East Bank Club

www.eastbankclub.com

500 North Kingsbury Street
Chicago, Illinois 60610

Phone: 312/527-5800

Fax: 312/527-5666

Founded: 1980

Number of clubs

2004: 1 (1 owned)
2003: 1
2002: 1
2001: 1
2000: 1

Number of members: 10,000

Principals: Daniel E. Levin

CEO: Daniel E. Levin

Media contact: Gina Rossie,
312/527-8013

Markets served:

U.S. (East North Central)

Revenues

2005: \$46.7 million (projected)
2004: \$46.5 million
2003: \$45 million
2002: \$45.2 million
2001: \$45.8 million
2000: \$42 million

Equinox

www.equinoxnyc.com

895 Broadway
2nd Floor
New York, NY 10003

Phone: 212/677-0180

Fax: 212/777-9510

Principals: Dan Errico

CEO: Harvey Spevak

Markets served:

U.S. (Middle Atlantic)
(Multi-club owner)

Fitcorp Fitness Centers, LLC

www.fitcorp.com

Prudential Center
800 Boylston Street
Suite 2475
Boston, MA 02199

Phone: 617/375-5600

Fax: 617/375-5649

Founded: 1979

Number of clubs

2004: 32 (11 owned,
21 managed)
2003: 32
2002: 30
2001: 28
2000: 29

Number of members: 22,500

Principals: Gary Klencheski,
Robert Schwartz, Michael Parent

CEO: Gary Klencheski

Media contact:

Phil Bonomo, 617/375-5600

Markets served:

U.S. (New England)

Comments: Fitcorp will continue to deliver fitness and wellness programs to corporations throughout New England.

Revenues

2004: NA
2003: \$14.1 million
2002: \$13.6 million
2001: \$13.7 million
2000: \$12.7 million

The Fitness Company

www.thefitnesscompany.com

1602 Highway 35 South
Oakhurst, NJ 07755

Phone: 732/775-0955

Fax: 732/775-2070

Founded: 1981

CEO: John Bennett

Fitness Formula, Ltd.

www.fitnessformula.com

619 West Jackson Street
Chicago, Illinois 60661

Phone: 312/648-4666

Fax: 312/648-0152

Founded: 1984

Number of clubs

2004: 9 (8 owned, 1 managed)
2003: 9
2002: 9
2001: 8
2000: 7

Number of members: 26,000

Principals: Gale Landers

CEO: Gale Landers

Media contact:

Chris Colletti, 312/648-4666

Markets served:

U.S. (East North Central)

Revenues

2005: \$28 million (projected)
2004: \$27.2 million
2003: \$26.4 million
2002: \$26 million
2001: \$26 million
2000: \$22 million

Fitness Together Franchise Corp.

www.fitnessstogether.com

399 Perry Street
Suite 300
Castle Rock, CO 80104

Phone: 877/663-0880

Fax: 303/663-1617

Founded: 1996

Number of clubs

2004: 250 (franchised)
2003: 152
2002: 98
2001: 76
2000: 22

Number of members: 25,000

Principals: Richard Sikorski

Media contact:

Meredith McGinnis,
877/663-0880

Markets served: U.S.; Canada

Revenues (combined)

2005: \$36 million (projected)
2004: \$30 million
2003: \$25 million
2002: \$14.8 million
2001: \$9.2 million
2000: \$4 million

Franco's Athletic Club, Inc.

www.myfrancos.com

100 Bon Temps Roule
Mandeville, LA 70471

Phone: 985/792-0200

Fax: 985/792-0333

Founded: 1988

Number of clubs

2004: 4 (2 owned, 2 managed)

2003: 2

2002: 2

2001: 2

2000: 2

Number of members: 18,600

Principals: Ron Franco

CEO: Ron Franco

Media contact:

Sandy Franco, 985/792-0200

Markets served:

U.S. (West South Central)

Comments: Franco's will open a full service spa including massage and dermatology. We also plan to build on our junior fitness program.

Revenues

2005: \$7.8 million (projected)

2004: \$7.3 million

2003: \$6.1 million

2002: \$5.8 million

2001: \$5.6 million

2000: \$4.6 million

Gainsville Health & Fitness Center, Inc.

www.ghfc.com

5200 Newberry Road, D-9
Gainesville, FL 32607

Phone: 352/375-7618

Founded: 1977

Number of clubs

2004: 2 (owned)

2003: 2

2002: 2

2001: 2

2000: 2

Number of members: 24,400

CEO: Joe Cirulli

Media contact:

Debbie Lee, 352/377-4955

Markets served:

U.S. (South Atlantic)

Comments: Plan to add full day-spa and hair removal operation—9,000 sq. ft.—and plan to open 6,500 sq. ft. express club.

Revenues

2005: \$10.2 million (projected)

2004: \$8.6 million

2003: \$8 million

2002: \$7.2 million

2001: \$6.1 million

2000: \$5.8 million

Gold's Gym International, Inc.

www.goldsgym.com

358 Hampton Drive
Venice, CA 90291

Phone: 310/392-3005

Fax: 310/399-1465

Founded: 1965

Number of clubs

2004: 623

(38 owned, 585 franchised)

2003: 607

2002: 575

2001: 542

2000: 518

Number of members:

2.5 million

Principals: TRT Holdings, LLC

CEO: Gene LaMott

Markets served: U.S.; Asia; Australia; Canada; Central America; Eastern Europe; Germany; Japan; Mexico; Middle East; Russia; U.K.

Health Fitness Corporation

www.hfit.com

3600 American Boulevard West
Suite 560
Minneapolis, MN 55431

Phone: 800/639-7913

Fax: 952/897-5173

Founded: 1981

Number of clubs

2004: 400 (2 owned,

398 managed)

2003: 200

2002: 175

2001: 143

2000: 129

Number of members: 220,500

Principals: Public Company

CEO: Jerry Noyce

Media contact:

Katherine Hamlin, 800/639-7913

Markets served: U.S.; Canada

Comments: HFC intends to continue expanding its revenue opportunities by offering additional health improvement solutions to its existing client bases, including e-health, health assessment and screening services, health advisory services, health improvement programs, health education services, and injury prevention and treatment services.

Revenues

2004: \$52.5 million

2003: \$31.5 million

2002: \$27.9 million

2001: \$25.9 million

2000: \$26.2 million

Healthtrax International

www.healthtrax.net

2345 Main Street
Glastonbury, CT 06033

Phone: 860/633-5572

Fax: 860/633-7472

Founded: 1979

Number of clubs

2004: 39

(13 owned, 26 managed)

2003: 35

2002: 39

2001: 37

2000: 35

Number of members: 69,000

Principals: Kenneth Navarro

CEO: Kenneth Navarro

Media contact:

Debbie Stauble, 860/633-5572

Markets served: U.S. (New England, East North Central, South Atlantic, West South Central, Pacific, Middle Atlantic)

Comments: Healthtrax expects to open a new MFC by year-end and break ground on 2 new ones in 2006.

Revenues

2005: \$32 million (projected)

2004: \$30.2 million

2003: \$28 million

2002: \$26 million

2001: \$25 million

2000: \$23 million

Healthy Inspirations

www.healthyinspirations.us

11 Kenyon Avenue
Wakefield, RI 02879

Phone: 800/725-6147

Fax: 401/783-9671

Founded: 2000

Number of clubs

2004: 82 (2 owned,

43 licensed, 37 franchised)

2003: 58

2002: 47

2001: 19

2000: 5

Number of members: 24,500

Principals: Casey Conrad

CEO: Casey Conrad

Markets served: U.S.; Australia; Brazil; Canada

Comments: With the conversion to a franchise complete, Healthy Inspirations will now focus on controlled, consistent growth, focusing in on areas with existing locations.

Revenues

2005: \$1.8 million (projected)
2004: \$1.3 million
2003: \$900,000
2002: \$1 million
2001: \$420,000
2000: \$118,000

The Houstonian

www.houstonian.com

111 North Post Oak Lane
Houston, TX 77024

Phone: 713/680-2626

Fax: 713/680-1223

Founded: 1992

Number of clubs

2004: 3 (owned)
2003: 2
2002: 1
2001: 1
2000: 1

Number of members: 6,405

Principals: Herb Lipsman

CEO: Herb Lipsman

Media contact:

Herb Lipsman, 713/266-1899

Markets served:

U.S. (West South Central)

Comments: We plan on opening one additional club in The Woodlands, Texas - Sept. 2005

Revenues

2005: \$35.6 million (projected)
2004: \$31.3 million
2003: \$26.9 million
2002: \$24.4 million
2001: \$23.2 million
2000: \$22.7 million

It Figures, LLC

www.hydraulicfitness.com

11121 East Pine Street
Tulsa, OK 74116

Phone: 888/588-2805

Fax: 918/437-8516

Founded: 1997

Number of clubs

2004: 850
2003: 650

Number of members: 200,000

CEO: Anita J. Miller

Revenues

2004: \$3.6 million
2003: \$3.4 million

Jazzercise, Inc.

www.jazzercise.com

2460 Impala Drive
Carlsbad, CA 92008

Phone: 760/476-1750

Fax: 760/602-7180

Founded: 1969

Number of clubs:

6,000 (franchised)

Number of members: 250,000

Principals: Judi Sheppard-Missett, Founder and CEO

Markets served: International

Revenues

2004: \$19.8 million
2003: \$18.9 million

L.A. Fitness International, LLC

www.lafitness.com

8105 Irvine Center Drive,
Suite 200
Irvine, CA 92618

Phone: 800/600-2540

Fax: 800/490-4503

Founded: 1984

Number of clubs

2004: 124 (owned)
2003: 107
2002: 93
2001: 88
2000: 71

Principals: Chin Yi, Chairman

Media contact:

Paul Norris, 949/255-7405

Markets served: U.S. (New England, South Atlantic, Pacific, Middle Atlantic, Mountain)

Lady of America Franchise Corporation

www.ladyofamerica.com

500 East Broward Boulevard,
Suite 1650
Ft. Lauderdale, FL 33394

Phone: 800/833-5239

Fax: 954/527-5436

Founded: 1984

Number of clubs

2004: 735 (franchised)
2003: 478
2002: 295
2001: 325
2000: 250

Number of members: 284,000

Principals: Roger Wittenberns, President and CEO

Markets served:

U.S.; Africa; Brazil; Canada; Chile; Ireland; Mexico; U.K.

Revenues

2004: \$15.7 million
2003: \$10.5 million
2002: \$4.2 million
2001: \$2.6 million
2000: \$1.9 million

Leisure Sports, Inc.

www.clubsports.com

7077 Koll Center Parkway,
Suite 110
Pleasanton, CA 94566

Phone: 925/600-1966

Fax: 925/600-1144

Founded: 1978

Number of clubs

2004: 6

Principals:

Steve Gilmour, President

Markets served: U.S. (Pacific)

LifeStart Wellness Network

www.lifestart.net

117 North Jefferson Street,
Suite 203
Chicago, IL 60661

Phone: 312/627-1300

Fax: 312/627-1317

Founded: 1992

Number of clubs

2004: 15

Number of members: 10,000+

Principals: Darren Hodgdon

Lifestyle Family Fitness, LLC

www.LFF.com

1000 112th Circle North
Suite 1000
St. Petersburg, FL 33716

Phone: 727/456-3100

Fax: 727/456-3112

Founded: 1982

Number of clubs

2004: 21 (owned)
2003: 17
2002: 16
2001: 13
2000: 11

Number of members: 88,178

Principals: Geoff Dyer, Ballast Point Ventures (an affiliate of Raymond James Financial), Quantum Capital Partners, Inc. and The Burton Partnership

CEO: Geoff Dyer

Media contact:

Geoff Dyer, 727/456-3100

Markets served:

U.S. (South Atlantic)

Comments: Lifestyle plans on adding an additional 9 clubs in 2005 to end the year with a total of 30 clubs.

Revenues

2005: \$50 million (projected)
2004: \$35.6 million
2003: \$26.6 million
2002: \$21.7 million
2001: \$16.3 million
2000: \$12.4 million

Life Time Fitness

www.lifetimefitness.com

6442 City West Parkway
Eden Prairie, MN 55344

Phone: 952/947-0000

Fax: 952/947-0099

Founded: 1990

Number of clubs

2004: 39 (owned)

2003: 33

2002: NA

2001: 24

2000: 19

Number of members: 299,538

CEO: Bahram Akradi

Markets served: U.S. (East North Central, South Atlantic, West South Central, West North Central, and Mountain)

Revenues

2004: \$312 million

2003: \$256.9 million

2002: NA

2001: \$142 million

2000: \$102 million

Lucille Roberts Health Clubs

www.lucilleroberts.com

4 East 80th Street
New York, NY 10021

Phone: 212/734-0500

Founded: 1970

Number of clubs

2004: 50 (owned)

2003: 46

2002: 44

2001: 40

2000: 37

Number of members: 153,000

CEO: Kirk Roberts

Markets served:

U.S. (Middle Atlantic)

Revenues

2005: \$37 million (projected)

2004: \$34 million

2003: \$30 million

2002: \$29 million

2001: \$27 million

2000: \$27 million

New York Health & Racquet Club

www.hrcbest.com

3 New York Plaza
New York, NY 10004

Phone: 212/797-1500

Fax: 212/837-4938

Founded: 1972

Number of clubs

2004: 10 (owned)

2003: NA

2002: 9

2001: 8

2000: 8

Number of members: 27,000+

CEO: Howard Brodsky

Markets served:

U.S. (Middle Atlantic)

Revenues

2004: NA

2003: NA

2002: \$26 million

2001: \$23 million

2000: \$24 million

Planet Fitness

www.planetfitness.com

113 Crosby Road
Suite 15
Durham, NH 03820

Phone: 603/750-0001

Fax: 603/750-0004

Founded: 2003

Number of clubs

2004: 49

2003: 8

Number of members: 153,500

CEO: Michael Grondahl

Revenues

2004: \$9 million

2003: \$5.4 million

Plus One Holdings, Inc.

www.plusone.com

75 Maiden Lane
Suite 801
New York, NY 10001

Phone: 212/791-2300

Fax: 212/269-2905

Number of clubs:

35+ (managed)

Principals: Michael Motta, President and Chairman

Markets served:

U.S. (Middle Atlantic)

Powerhouse Gyms International, LLC

www.powerhousegym.com

24385 Halsted Road
Farmington Hills, MI 48335

Phone: 248/476-2888

Fax: 248/476-4732

Founded: 1975

Number of clubs

2004: 355 (15 owned, 40 managed, 300 licensed)

2003: 290

2002: 283

2001: 260

2000: 240

Number of members:

1,100,000

Principals: Will Jr., Henry, Victor, Peter, Michael, and John Dabish

CEO: Henry Dabish

Media contact:

Henry Dabish, 248/476-2888

Markets served: U.S.; Asia; China; Germany; Thailand

Comments: Powerhouse Gyms International is maintaining steady growth in the U.S. while experiencing rapid growth internationally. At the IHRSA 2005 tradeshow we finalized another Master Territory Agreement in the SAARC Region. We would like to secure Master Territory Agreements for other areas overseas as it provides excellent representation.

Prairie Life Centers

www.prairielifecenter.com

11414 West Center Road,
Suite 200
Omaha, NE 68144

Phone: 402/408-5433

Number of clubs

2004: 8

Principals: Dean Rasmussen

Markets served: U.S. (West North Central, East South Central)

Richmond Fitness, T/A American Family Fitness Centers

www.amfamfit.com

4435 Waterfront Drive Suite 304
Glen Allen, VA 23060

Phone: 804/965-5300

Fax: 804/965-9032

Founded: 1990

Number of clubs

2004: 6 (owned)

2003: 6

2002: 5

2001: 5

2000: 5

Number of members: 100,000

Principals: Brian E. Evans

CEO: Brian E. Evans

Media contact:

Alissa Poole, 804/690-2686

Markets served:

U.S. (South Atlantic)

Comments: Add 1 multipurpose club - 50,000+ sq. ft.

Revenues

2005: \$24 million (projected)

2004: \$22.5 million

2003: \$18.5 million

2002: \$15.3 million

2001: \$13 million

2000: \$10.9 million

Riviera Fitness Center

www.rivierafitness.com

4725 South 2300 East, #220
Salt Lake City, UT 84117

Phone: 801/272-5277

Fax: 801/277-5005

Founded: 1973

Number of clubs

2004: 23 (owned)
2003: 20
2002: 20
2001: 18
2000: 17

Number of members: 75,000

Principals: Ren Rice

CEO: Ren Rice

Media contact:

Steve Schenick, 504/878-9615

Markets served: U.S. (South Atlantic, West South Central, East South Central)

Comments: Plan to add approximately one to two clubs per year.

Revenues

2005: \$14 million (projected)
2004: \$13.2 million
2003: \$12.5 million
2002: \$12 million
2001: \$11.5 million
2000: \$11 million

Santa Barbara Athletic Club

www.calwestgroup.com/sbac

520 Castillo
Santa Barbara, CA 93105

Phone: 805/966-6147

Fax: 805/963-5796

Founded: 1978

Number of clubs: 5 (managed)

Number of members: 10,000

Principals: Julie Main

Markets served: U.S. (Pacific)

Shapes Total Fitness

www.shapestotalfitness.com

14499 North Dale
Mabry Highway Suite 135
Tampa, FL 33618

Phone: 813/264-1711

Fax: 813/264-1711

Founded: 1983

Number of clubs

2004: 11 (owned)
2003: 13
2002: 12

Number of members: 50,000+

Principals: Robert Karshner, Jack Karshner, Vince Julien

Media contact: Robert Karshner

Markets served: U.S. (Florida)

Revenues

2004: NA
2003: \$15.8 million
2002: \$12.4 million
2001: \$11.9 million
2000: \$11.0 million

Slender Lady, Inc.

45 N.E. Loop 410 Suite 500
San Antonio, TX

Phone: 888-227-8187

Founded: 1996

Number of clubs

2004: 350 (franchised)
2003: 350

Number of members: 15,000

Principals: Bruce Sharpe, Founder; Dr. John Verdugo, CEO

Markets served:

U.S. and Canada

Revenues

2004: \$6 million
2003: \$7 million

Spare Time Inc.

www.sparetime.com

11290 Pyrites Way
Suite 100
Gold River, CA 95670

Phone: 916/859-5910

Fax: 916/859-5949

Founded: 1971

Number of clubs

2004: 11 (owned)
2003: 11
2002: 11
2001: 11
2000: 10

Principals: David M. Anderson

CEO: David M. Anderson

Media contact:

Danny Tanner, 916/859-5910

Markets served: U.S. (Pacific)

Spectrum Clubs, Inc.

www.spectrumclubs.com

831 South Douglas Street
Suite 137
El Segundo, CA 90245

Phone: 310/727-9360

Fax: 310/727-9309

Founded: 1999

Number of clubs

2004: 20 (owned)
2003: 18
2002: 18
2001: 18
2000: 18

Number of members: 121,000

Principals: Brentwood Associates

CEO: Matthew Stevens

Markets served:

U.S. (West South Central, Pacific)

Comments: Strategic growth through acquisition and/or new greenfield developments.

Revenues

2005: \$85.7 million (projected)
2004: \$73.2 million
2003: \$68.4 million
2002: NA
2001: \$59 million
2000: \$55 million

Sport & Health Clubs

www.sportandhealth.com

1953 Gallows Road
Suite 590
Vienna, VA 22182

Phone: 703/556-6556

Fax: 703/893-8487

Founded: 1973

Number of clubs

2004: 28
(26 owned, 2 managed)
2003: 29
2002: 29
2001: 27
2000: 27

Number of members: 75,931

Principals: Carl Marks Company

CEO: Mitchel A. Wald

Media contact:

Nancy Terry, 703/556-6556

Markets served:

U.S. (South Atlantic)

Comments: Continue to grow in the existing market

Revenues

2005: \$84 million (projected)
2004: \$81 million
2003: \$76.6 million
2002: \$70.2 million
2001: \$66.8 million
2000: \$61.8 million

The Sports Club Company

www.thesportsclubla.com

11100 Santa Monica Boulevard,
Suite 300
Los Angeles, CA 90025

Phone: 310/479-5200

Fax: 310/479-5740

Founded: 1978

Number of clubs

2004: 10 (owned)
2003: 10
2002: 8
2001: 8
2000: 6

Number of members: 49,000

Principals: D. Michael Talla, Chairman; Rex Licklider, CEO; Nanette Pattee Francini, Executive Vice President

Media contact:

Nanette Pattee Francini

Markets served:

U.S. (New England, Middle Atlantic, South Atlantic, Pacific)

SportsFirst, Inc.

www.sportsfirst.com

5414 Highway 280 Suite 200
Birmingham, AL 35242

Phone: 205/981-0302

Fax: 205/981-0660

Founded: 1983

Number of clubs

2004: 10 (5 owned, 3 managed, 2 licensed)
2003: 11
2002: 11
2001: 10
2000: 10

Principals: SportsFirst, Inc. is a for-profit subsidiary of Baptist Health System of Alabama

CEO: Bruce Gouin

Media contact:
Lisa Jones, 205/445-2828

Markets served:
U.S. (East South Central)

Comments: Current \$1.5 million renovation/expansion of one existing facility; growing fitness programming revenue via personal training and other products. Hope to obtain approval and begin construction of 6th owned facility.

Revenues
2005: \$10.8 million (projected)
2004: \$10.9 million
2003: \$10.3 million
2002: \$10.2 million
2001: \$10 million
2000: \$9.3 million

TCA
www.tcaclubs.com
3611 North Kedzie Avenue
Chicago, IL 60618

Phone: 773/463-1234

Fax: 773/463-0999

Founded: 1969

Number of clubs
2004: 41
(28 owned, 13 managed)

2003: 42
2002: 46
2001: 45
2000: 46

Number of members: 90,000

Principals: Steven Schwartz

CEO: Steven Schwartz

Media contact:
Jim Cohen, 773/463-1234

Markets served: U.S. (New England, East North Central, South Atlantic, Middle Atlantic, West North Central, East South Central); Canada

Comments: TCA is looking to acquire large, multi-rec indoor/outdoor clubs in major metro areas.

Revenues
2005: \$80 million (projected)
2004: \$80 million
2003: \$75 million
2002: \$75 million
2001: \$70 million
2000: \$70 million

Town Sports International
www.mysportsclubs.com

888 Seventh Avenue
25th Floor
New York, New York 10106

Phone: 212/246-6700

Fax: 212/246-8422

Founded: 1974

Number of clubs
2004: 137
(135 owned, 2 managed)
2003: 129
2002: 129
2001: 119
2000: 105

Number of members: 380,000

Principals:
Bruckmann, Rosser, Sherrill

CEO: Robert Giardina

Media contact:
Susan Gerson, 212/246-6700

Markets served:
U.S. (New England, Middle Atlantic); Switzerland

Revenues
2004: \$353 million
2003: \$341.2 million
2002: \$318.1 million
2001: \$283.3 million
2000: \$225 million

The WellBridge Company
www.wellbridge.com

8400 East Crescent Parkway
Suite 200
Greenwood Village, CO 80111

Phone: 303/866-0800

Fax: 303/860-0440

Founded: 1983

Number of clubs
2004: 43
(32 owned, 11 managed)
2003: 46
2002: 46
2001: 47
2000: 49

Number of members: 102,318

Principals: Starwood Capital Group - Chilmark Partners

CEO: Ed Williams

Media contact:
Ed Williams, 303/866-0800

Markets served: U.S.

Comments: The company continues to look for acquisition and management opportunities in new and existing markets.

Revenues
2005: \$179 million (projected)
2004: \$174 million
2003: \$174 million
2002: \$172 million
2001: \$163 million
2000: \$156 million

Western Athletic Clubs
www.clubwest.com

1 Lombard Street
San Francisco, CA 94111

Phone: 415/781-1874

Fax: 415/394-5570

Founded: 1977

Number of clubs
2004: 11 (owned)
2003: 11
2002: 11
2001: 9
2000: 9

Number of members: 42,000

Principals:
Jim Gerber, Mindy Steiner

CEO: Jim Gerber

Media contact:
Marie Strandfeldt,
415/781-1874

Markets served: U.S. (Pacific)

Comments: No new clubs are opening within the next year, although we are developing a new one to open in 2007. Our two newest clubs are still growing membership-wise.

Revenues
2005: \$92 million (projected)
2004: \$87.6 million
2003: \$80.5 million
2002: \$73 million
2001: \$65.3 million
2000: \$65 million

World Gym International
www.worldgym.com

3223 Washington Boulevard
Marina Del Rey, CA, 90292

Phone: 310/827-7705

Fax: 310/827-6355

Founded: 1977

Number of clubs
2004: 304
(1 owned, 303 licensed)
2003: 285
2002: 294
2001: 278
2000: 254

Number of members: 830,000

CEO: Mike Uretz

Media contact: Julia Rose

Markets served: U.S.; Asia; Brazil; Canada; China; Japan; Mexico

WOW! Work Out World
www.workoutworld.com

781 Brick Boulevard
Brick, NJ 08723

Phone: 732/477-5400

Fax: 732/477-0198

Founded: 1991

Number of clubs
2004: 34 (9 owned; 25 licensed)
2003: 30
2002: 29
2001: 23
2000: 20

Number of members: 22,000+

Principals:

Stephen P. and Mary L. Roma

CEO: Stephen S. Roma

Media contact:

Stephen P. Roma, ext. 14

Markets served:

U.S. (New England and Middle Atlantic); Japan

Revenues (combined)

2005: \$29.1 million (projected)

2004: \$26.1 million

2003: \$23.6 million

2002: \$20.1 million

2001: \$15.1 million

2000: \$12.8 million

WTS International, Inc.

www.wtsintl.com

12501 Prosperity Drive
Suite 460

Silver Spring, MD 20904

Phone: 301/622-7800

Fax: 301/622-3373

Founded: 1973

Number of clubs

2004: 60 (managed)

2003: 46

2002: 38

2001: 26

2000: 20

Number of members: 13,000

Principals: Gary J. Henkin

CEO: Frank Guengerich

Media contact:

Ron Erickson, ext. 111

Markets served:

U.S.; Asia; Middle East

Comments: Plan to widen our involvement in the spa industry for both commercial and private clubs, hotels and resorts

Revenues

2005: \$15 million (projected)

2004: \$12.1 million

2003: \$10.8 million

2002: \$10.2 million

2001: \$9.5 million

2000: \$8 million

ARGENTINA

Megatlon-Red de Clubes

www.reddeclubes.com

Juan B. Justo 2650

Buenes Aires Capital Federal

Phone: 5411-4858-0290

Founded: 1995

Number of clubs

2004: NA

2003: 12

(10 owned, 2 managed)

2002: 13

2001: 11

2000: 10

Number of members: 34,500

Principals: Fernando Storchi,
Fernando Kleiman, Diego
Pellegrino, Guido Miguez

Markets served: Argentina

Revenues

2004: NA

2003: \$5 million

2002: \$10 million*

2001: \$15 million

2000: \$13 million

**The Argentine peso was devalued in January 2002 from 1/1 to 1/3.5 relative to the US dollar.*

AUSTRALIA

Fernwood Womens Health Clubs

www.fernwoodfitness.com.au

1/75 Flinders Lane

Melbourne

Phone: 61-39-614-5055

Fax: 61-39-614-6812

Founded: 1989

Number of clubs

2004: 65

(18 owned, 47 franchised)

2003: 55

2002: 42

2001: 35

2000: 27

Number of members: 87,000

Principals:

Diana Williams/John Clow

CEO: Diana Williams

Media contact:

Jonah Lowndes,
61-39-614-5055

Markets served: Australia

Comments: Fernwood is on track to be opening a minimum of 20 new clubs around Australia in 2005 and has already commenced the initial stages of expanding Internationally through either master franchising and/or acquisition of existing chains in several countries.

Revenues

(reported in Australian Dollars)

2005: AUS\$85 million

(projected) (US\$65.9 million)

2004: \$72 million

(US\$55.9 million)

2003: \$52 million

(US\$40.3 million)

2002: \$35 million

(US\$27.2 million)

2001: \$22 million

(US\$17.1 million)

2000: \$14 million

(US\$10.9 million)

Fitness First

(see listing under United Kingdom)

Next Generation Clubs

(see listing under United Kingdom)

Space Health Clubs

www.spacehealthclubs.com

215/40 Yeo Street

Neutral Bay, NSW 2089

Phone: 02-9904-1800

Fax: 02-9908-2245

Founded: 2001

Number of clubs

2004: 2

2003: 2

2002: 1

Number of members: 6,500

Principals:

Macquaire Investment Trust III

CEO: Michiel Nicolaas Smuts

Markets served:

Australia (Sydney and Melbourne)

Revenues

(reported in Australian Dollars)

2004: NA

2003: \$4.7 million

(US\$3.6 million)

2002: \$3.9 million (US\$3 million)

2001: \$437,000 (US\$339,000)

Zest Health Clubs Limited

www.zesthealthclubs.com.au

L 18, 201 Kent Street

Sydney, NSW 2000

Phone: 61-2-9026-8600

Fax: 61-2-9252-5630

Founded: 2001

Number of clubs

2004: 33 (owned)

2003: 33

2002: 33

2001: 14

Number of members: 74,000

Principals: Exelsior Capital

CEO: Steven Dale

Markets served: Australia

Revenues

(reported in Australian Dollars)

2005: \$40.6 million (projected)

(US\$31.5 million)

2004: \$37.8 million

(US\$29.3 million)

2003: \$33.8 million

(US\$26.2 million)

BRAZIL

Bio Ritmo Academia

www.bioritmo.com.br

Av. Paulista 2073

Conjunto Nacional

Ed Horsa I

Sao Paulo 01311-300

Phone: 55-11-3365-0800

Fax: 55-11-3365-0080

Founded: 1996

Number of clubs

2004: 13

(12 owned, 1 managed)

2003: 9

2002: 8

2001: 6

2000: 5

Number of members: 22,000

Principals:

Edgard Gomes Corona

CEO: Edgard Gomes Corona

Media contact:

Vagner Aguilar, ext. 143

Markets served: Brazil

Comments: Plan to open 2 to 3 new clubs this year.

Revenues

2005: \$11.2 million (projected)

2004: \$9.3 million

2003: \$6.6 million

2002: \$5 million

2001: \$4 million

2000: \$3.2 million

Companhia Athletica

www.ciaathletica.com.br

Rua Kansas, 1582

Sao Paulo 04558-005

Phone: 55-115-105-7000

Fax: 55-115-506-2793

Founded: 1985

Number of clubs

2004: 10 (owned)

2003: 9

2002: 8

2001: 8

2000: 7

Number of members: 25,000

Principals: Richard L T Bilton

CEO: Richard L T Bilton

Media contact: Oscar França,
55-115-188-2003

Markets served: Brazil

Comments: Plan to open 2 new clubs per year in the largest cities of Brazil, and possibly Chile

Revenues

(reported in Brazilian Real)

2005: BRL54 million (projected) (US\$21 million)

2004: BRL 47 million (US\$18.3 million)

2003: BRL 37.5 million (US\$14.6 million)

2002: BRL 37 million (US\$14.4 million)

2001: BRL 28.5 million (US\$11.1 million)

2000: BRL 19.5 million (US\$7.6 million)

Runner S/A

www.runner.com.br

Av. Dr. Candido Mota Filho, 731
Sao Paulo 05351-000

Phone: 5511-3766-2777

Fax: 5511-3766-2777, ext. 249

Founded: 1983

Number of clubs

2004: NA

2003: 11 (owned)

2002: 10

2001: 9

2000: 8

Number of members: 25,000

Principals:

Mario Sergio Luiz Moreira

Media contact:

Joe Lago, 5511/3848-6361

Markets served: Sao Paulo

Revenues

(reported in Brazilian Real)

2004: NA

2003: BRL35 million (US\$14.1 million)

2002: BRL32 million (US\$12.9 million)

2001: BRL28 million (US\$11.3 million)

2000: BRL25 million (US\$10.1 million)

CANADA

Fitness World

www.fitnessworld.ca

13777 103rd Avenue
Surrey, B.C. V3T 5B5

Phone: 604/581-4447

Fax: 604/585-3356

Number of clubs: 12

Principals: Henry Polesky,
President & CEO

Goodlife Fitness Clubs

www.goodlifefitness.com

201 King Street
London, Ontario N6A 1C9

Phone: 519/661-0190

Fax: 519/434-6701

Founded: 1979

Number of clubs

2004: 99

(83 owned, 16 franchised)

2003: 73

2002: 64

2001: 54

2000: 45

Number of members: 216,275

Principals: David Patchell Evans

CEO: David Patchell Evans

Media contact:

Megan Cameron, 519/661-0190

Markets served: Canada

Comments:

Plan 25-30 new clubs

Nautilus Plus

5000 Boulevard Taschereau
Suite 2000
Greenfield Park, Quebec
J4V 3M3

Phone: 450/465-5814

Fax: 450/672-0998

Founded: 1978

Number of clubs

2004: 30 (owned)

2003: 30

2002: 28

2001: 27

2000: 25

Number of members: 65,000

Principals: Richard Blais

CEO: Richard Blais

Media contact:

Anne Martel, ext. 2502

Markets served: Canada

Comments: Plan to open 10 clubs over the next five years.

Nubody's

www.nubodysfitness.com

160 Wright Avenue
Dartmouth, Nova Scotia
B3B 1R6

Phone: 902/468-8920

Fax: 902/468-8940

Founded: 1982

Number of clubs

2004: 12

2003: NA

2002: 7 (owned)

2001: 6

2000: 6

1999: 5

Number of members: 15,000

CEO: Dean Hartman

Media contact: Dean Hartman

Markets served:

Nova Scotia, New Brunswick
and Newfoundland

Revenues

(reported in Canadian Dollars)

2004: NA

2003: NA

2002: NA

2001: \$5.1 million (US\$4.1 million)

2000: \$4.7 million (US\$3.8 million)

CHILE

Sportlife Fitness Clubs

www.sportlife.cl

Camino el Alba 11865

2do nivel

Las Condes Santiago

Phone: 5-62-214-2257

Fax: 5-62-214-1024

Founded: 1993

Number of clubs

2004: 17

(8 owned, 2 licensed,
7 franchised)

2003: 13

2002: 10

2001: 8

2000: 6

Number of members: 20,000

Principals:

Inversiones Romana, Inversiones
San Pol, Inversiones Baleares

CEO: Mauricio Musiet

Media contact: Michelle

Arellano, 5-62-236-5080

Markets served: Chile

Comments: We will grow at a rate of 2 - 3 clubs per year; at least one owned and 1 or 2 franchises.

Revenues

2004: \$5.5 million
2003: \$4.5 million
2002: \$4.5 million
2001: \$3.5 million
2000: \$3.1 million

FRANCE

Club Med Gym

www.clubmedgym.fr

10-12 Rue du Sergent Bobillot
92 400 Courbevoie

Phone: 33-1-55-70-48-41

Fax: 33-1-55-70-48-30

Founded: 1979

Number of clubs

2004: 23 (owned)
2003: NA
2002: NA
2001: 144
2000: 38

Markets served:

France and Brussels, Belgium

GERMANY

Aspria

www.aspria.com

Hill Place House
55A High Street
London SW19 5BA
England

Phone: 44-208-971-9900

Fax: 44-208-946-5210

Number of clubs: 3

Number of members: 15,000

CEO: Brian Morris

Markets served:

Germany and Belgium

Elixia Holding GmbH

www.elixia.com

Landsberger Allee 7779
10407 Berlin

Phone: 49-30-330-22000

Fax: 49-30-330-22275

Founded: 2000

Number of clubs

2004: 52 (owned)
2003: 52
2002: 51
2001: 48
2000: 36

Number of members: 163,000

Principals:

Compass Partners International

CEO: Andreas Hubert

Media contact:

Dirk Otten, 49-30-330-22030

Markets served:

Austria, Finland, France,
Germany, Norway

Revenues

(reported in Euros)
2004: NA
2003: NA
2002: €79 million
(US\$102.2 million)
2001: €70 million
(US\$90.5 million)
2000: €26 million
(US\$33.6 million)

Injoy Quality Corporation GmbH

www.injoy.de

Borkener Strausse 64
Dorsten 46284

Phone: 49-2362-94600

Fax: 49-2362-94602

Founded: 2001

Number of clubs

2004: 130
(2 licensed, 128 franchised)
2003: 103
2002: 82

Number of members: 340,000

Principals: Paul Underberg

CEO: Paul Underberg

Markets served:

Austria, Belgium/Luxembourg,
Germany, Switzerland

Revenues (combined)

(reported in Euros)
2005: €70 million
(projected) (US\$92 million)
2004: €66.7million
(US\$87 million)
2003: €58 million
(US\$76 million)
2002: €40 million
(US\$52 million)

JAPAN

Central Sports Co., Ltd.

<http://www.central.co.jp>

5-17Shinkawa
1-chome
Chuo-ku, Tokyo 104-8255

Phone: 81-35-543-1801

Fax: 81-35-543-1850

Founded: 1970

Number of clubs

2004: 160
(102 owned, 58 managed)
2003: 158
2002: 151
2001: 158
2000: 150

Number of members: 401,000

Principals: Tadaharu Goto

CEO: Tadaharu Goto

Media contact:

Hideshi Teramoto,
81-35-543-1801

Markets served: Japan

Comments: Working toward ¥50 billion in sales and an 8% profit margin by the 2008 Olympic Games.

Revenues

(reported in Japanese Yen)
2004: ¥41 billion
(US\$384 million)
2003: ¥38 billion
(US\$356 million)
2002: ¥34.7 billion
(US\$325 million)
2001: ¥34.6 billion
(US\$323 million)
2000: ¥33.4 billion
(US\$312 million)

Konami Sports Corporation

www.konamisports.co.jp

4-10-1, Higashi-shinagawa
Shinagawa-ku, Tokyo 140-0002

Phone: 81-3-6688-0573

Fax: 81-3-6688-5743

Founded: 1978

Number of clubs

2004: 234
(205 owned, 29 franchised)
2003: 240
2002: 238
2001: 219
2000: 146

Number of members: 851,000

Principals: Tsutomu Takeda,
Haruo Yamamoto,
Kazutaru Kurokawa,
Toshimitsu Oishi

Markets served: Japan

Comments: Our mission is to improve our customers quality of life as much as possible

Revenues

(reported in Japanese Yen)
2005: ¥80.5 billion (projected)
(US\$762.2 million)
2004: ¥78 billion
(US\$738.6 million)
2003: ¥77.5 billion
(US\$730.9 million)
2002: ¥75.1 billion
(US\$708.2 million)
2001: ¥60.6 billion
(US\$571.5 million)
2000: ¥57.8 billion
(US\$545.1 million)

Renaissance Inc.

<http://www.s-re.jp>

Ryogoku 2-10-14
Sumida-ku, Tokyo

Phone: 81-35-600-5411

Fax: 81-35-600-8898

Founded: 1982

Number of clubs

2004: 77
(73 owned, 3 managed,
1 franchised)
2003: 71
2002: 64
2001: 52
2000: 45

Number of members: 260,000

CEO: Toshikazu Saito

Media contact:

Akifumi Shikata,
81-35-600-5411

Markets served: Japan

Comments:

Plan to have 85 clubs in Japan

Revenues

2005: \$280 million (projected)
2004: \$252 million
2003: \$230 million
2002: \$204 million
2001: \$181 million
2000: \$150 million

Tipness, Ltd.

www.tipness.co.jp

2-9-12 Kaiicho
Chiyodaku, Tokyo

Phone: 81-3-5298-5577

Founded: 1986

Number of clubs

2004: 37 (owned)
2003: 34
2002: 33
2001: 31
2000: 29

Number of members: 150,000

CEO: Toshihiko Tamori

Media contact: Shinichi Kato,
81-3-5298-5717

Markets served: Japan

Revenues

2005: \$240 million (projected)
2004: \$221 million
2003: \$203 million
2002: \$195 million
2001: \$172 million
2000: \$123 million

MALAYSIA

Clark Hatch International, Inc.

www.clarkhatch.com

Suite A-03-02
Plaza Mont' Kiara
No 2, Jalan 1/70C
Mont' Kiara,
Kuala Lumpur 50480

Phone: 60-3-6201-6080

Fax: 60-3-6201-6177

Founded: 1965

Number of clubs

2004: 61
2003: NA
2002: NA
2001: 65
2000: 55

Number of members: 30,000+

Principals:

Clark G. Hatch, Randy Bozeman,
Jeff Lum, Angie Ng

Media contact:

Randy Bozeman

Markets served: Asia; U.S.

MEXICO

Organizacion Britania

www.clubalbatros.com

Reforma No. 42
Col. San Angel Inn
DF 01060

Phone: 52-55-616-0330

Fax: 52-55-616-0330

Founded: 1928

Number of clubs

2004: 48
(43 owned, 5 managed)
2003: 41
2002: 40
2001: 39
2000: 39

Number of members: 400,000

Principals: Marcos, Hugo,
and Diego Alcocer

CEO: Marcos Alcocer

Media contact: Marcos Alcocer,
52-55-616-0330

Markets served: Mexico

Comments: Plan to continue to grow in the large (400,000 sq. ft.) multifunction facilities market focusing on middle income families of Latin America.

Revenues

2005: \$40 million (projected)
2004: \$37 million
2003: \$38 million
2002: \$32 million
2001: \$30 million
2000: \$28 million

Sport City/Grupo Marti

www.sportcity.com.mx

Francisco1
Madero #12
Col. Santa Ursula Xitla

Phone: 52-55-020-0120

Fax: 52-55-560-6068

Number of clubs

2004: 17
(16 owned, 1 franchised)
2003: 14
2002: 11
2001: 8
2000: 6

Number of members: 30,000

Principals: Alejandro Marti

CEO: Alejandro Marti

Media contact:
Carolina Elizalde,
52-55-277-9722

Markets served: Mexico

Comments: We will keep growing in Mexico City and all over Mexico (6 more clubs).

Revenues

2005: \$52 million (projected)
2004: \$40 million
2003: \$32 million
2002: \$24 million
2001: \$26 million
2000: \$19 million

NETHERLANDS

Achmea Health Centers

www.achmeahealth.nl

Gladsax 26
7327 BZ Apeldoorn

Phone: 31-55-599-4720

Fax: 31-55-599-4730

Founded: 1977

Number of clubs

2004: 22
(15 owned, 7 franchised)
2003: NA
2002: 21
2001: 25
2000: 27

Principals: Theo ten Tije

Media contact: Theo ten Tije

Markets served: Netherlands

Revenues

2004: \$23.8 million
2003: NA
2002: NA
2001: \$4.5 million
2000: \$4.0 million

Sports and Leisure Group

www.slg.nl

1e Dorpsstraat 22
3701 HB Zeist

Phone: 33-30-693-0450

Fax: 33-30-691-4158

Founded: 1996

Number of clubs

2004: 12 (9 owned, 3 managed)
2003: 11
2002: 9
2001: 6
2000: 4

Number of members: 25,000

Principals: Theo Hendriks

CEO: Theo Hendriks

Media contact: Wieneke Baas,
31-30-693-0450

Markets served: Netherlands

Comments: Plan a steady controlled growth of 1 or 2 clubs per year 6.

Revenues

(reported in Euros)
 2005: €8.5 million
 (projected) (US\$11.2 million)
 2004: €7.5 million
 (US\$9.8 million)
 2003: €6.4 million
 (US\$8.4 million)
 2002: €4.8 million
 (US\$6.3 million)
 2001: €3.7 million
 (US\$4.8 million)
 2000: €3.2 million
 (US\$4.2 million)

RUSSIA

**World Class
 Fitness Clubs**

www.wclass.ru

Zhitnaya Str, 14, Building 2
 Moscow 119049

Phone: 7-095-771-6600

Fax: 7-095-232-1749

Founded: 1993

Number of clubs

2004: 18
 (11 owned, 7 franchised)
 2003: 10
 2002: 5
 2001: 4
 2000: 4

Number of members: 26,500

Principals:

Lidia Carow, Olga Sloutsker

CEO: Olga Sloutsker

Media contact:

Slava Chichvarin

Markets served: Russia

Revenues

2005: \$50 million (projected)
 2004: \$44 million
 2003: \$30.8 million
 2002: \$23 million
 2001: \$20 million
 2000: \$16 million

SOUTH AFRICA

**Virgin Active
 Holdings, Ltd.**

(see listing under United Kingdom)

SPAIN

DIR SPORT INDUSTRIA

www.dirfitness.es

Industria, 90-92
 Entresuelo 6a
 Barcelona, Catalonia 08025

Phone: 34-93-450-4818

Fax: 34-93-450-0936

CEO: Ramon Canela

SWEDEN

SATS Holding AB

www.sats.com

Franstorpsvägen 29
 PO Box 1359
 SE-172 27 Sundbyberg

Phone: 46-85-032-2400

Fax: 46-85-032-2402

Founded: 1995

Number of clubs

2004: 122
 (81 owned, 34 licensed,
 7 franchised)
 2003: 116
 2002: 113

Number of members: 200,000

Principals: Nordic Capital

CEO: Andreas Göthberg

Markets served: Sweden

Comments: We plan to grow in a controlled way through greenfields and same-store revenue growth.

Revenues

(reported in Swedish kronor)
 2004: SEK988.6 million
 (US\$140.8 million)
 2003: SEK985.7 million
 (US\$140.4 million)

SWITZERLAND

Kieser Training AG

www.kieser-training.com

Kanzleistrasse 126
 CH-8004 Zürich

Phone: 411-296-1717

Fax: 411-296-1777

Founded: 1968

Number of clubs

2004: 137
 (16 owned, 121 franchised)
 2003: 128
 2002: 116
 2001: 91
 2000: 71

Number of members: 250,000

Principals: Werner Kieser

CEO: Andreas Georgiadis

Media contact: Tania Schneider,
 49-221-167-9317

Markets served: Austria,
 Belgium/Luxembourg, Germany,
 Netherlands, Switzerland, U.K.

Comments:

Plan 10 openings in Europe

TAIWAN

Alexander Group, Inc.

www.aforme.com.tw

B2, No. 99, Sung Jen Road
 Taipei 110

Phone: 886-9117-7669

Fax: 886-28780-8411

Founded: 1982

Number of clubs

2004: 30 (owned)
 2003: 25
 2002: 21
 2001: 19
 2000: 16

Number of members: 80,000

CEO: Candy Tang

Media contact: Dorren Tsai

Markets served:

China and Taiwan

Comments: Plan to open three new clubs in China by the end of 2005

Revenues

2005: \$130.5 million (projected)
 2004: \$79.1 million
 2003: \$56.6 million
 2002: \$56.5 million
 2001: \$48.3 million
 2000: \$44.5 million

UNITED KINGDOM

**Cannons Health
 & Fitness, Ltd.**

www.cannons.co.uk

Cannons House
 40-44 Coombe Road
 New Malden
 Surrey KT3 4QF

Phone: 44-208-336-2288

Fax: 44-208-336-8300

Founded: 1980

Number of clubs

2004: 62
 (52 owned, 10 managed)
 2003: 62
 2002: 58
 2001: 51
 2000: 49

Number of members: 184,000

Principals:

RBPE &PPHV (private equity)

CEO: Harm Tegelaars

Media contact: Helen Maddin

Markets served: U.K.

Revenues

(reported in British Pounds)
 2005: £104 million (projected)
 (US\$195 million)
 2004: £108 million
 (US\$202.5 million)
 2003: £112 million
 (US\$210 million)
 2002: £107 million
 (US\$200.6 million)
 2001: £102 million
 (US\$191.2 million)
 2000: £91 million
 (US\$170.6 million)

**Crown Sports Plc/
Dragons Health Clubs**

www.crownsportsplc.com

Carrington Street
Derby DE1 2ND

Phone: 44-1332-525-825

Fax: 44-1332-525-826

Founded: 1980

Number of clubs

2004: 21 (owned)
2003: 40
2002: 44
2001: 36
2000: 29

Number of members: 51,237

Principals: Ray Pierce,
Chairman; Martyn Grealey, CEO

Media contact: Buchanan
Communications—Mark
Edwards, 44-020-7466-5000

Markets served: U.K.

Revenues

(reported in British Pounds)
2004: £22.9 million
(US\$43.6 million)
2003: £26.3 million
(US\$50.1 million)
2002: £37 million
(US\$70.4 million)
2001: £23 million
(US\$43.8 million)
2000: £12 million
(US\$22.8 million)

David Lloyd Leisure

www.davidlloydleisure.co.uk

PO Box 888
Dunstable, Bedfordshire LU5
5XA

Phone: 44-870-888-3015

Founded: 1983

Number of clubs

2004: 66 (owned)
2003: 57
2002: 55
2001: 60
2000: 56

Number of members: 350,000

Principals: Whitbread plc

CEO: Alan Parker

Media contact:

Mark Webb, 44-791-911-0541

Markets served:

Belgium/Luxembourg; Ireland;
Netherlands; Spain; U.K.

Comments: First club to
open in Spain this year, 4 sites
under construction in U.K.,
more in pipeline.

Revenue

(reported in British Pounds)
2004: £219 million
(US\$412 million)

Esporta Group, Ltd.

www.esporta.com

Trinity Court
Molly Millars Lane
Wokingham, Berkshire
RG41 2PY

Phone: 44-118-912-3500

Fax: 44-118-912-4500

Founded: 1994

Number of clubs

2004: 67 (owned)
2003: 69
2002: 63
2001: 51
2000: 38

Number of members: 233,000

Principals: Duke St Capital

CEO: Neil Gillis

Markets served:

Germany; Spain; Sweden; U.K.

Comments: Although we have
no new openings scheduled for
2005, we are actively pursuing
new sites to be opened in 2006
and 2007 in the U.K.

Revenues

(reported in British Pounds)
2005: £170 million
(projected) (US\$326.2 million)
2004: £168 million
(US\$322.4 million)
2003: £155 million
(US\$297.4 million)
2002: £142 million
(US\$272.5 million)
2001: £100 million
(US\$191.4 million)
2000: £68 million
(US\$130.2 million)

Fitness First

www.fitnessfirst.com

58 Fleets Lane
Poole, Dorset BH15 3BT

Phone: 44-120-284-5000

Fax: 44-120-268-3510

Founded: 1942

Number of clubs

2004: 403 (owned)
2003: 371
2002: 311
2001: 200
2000: 115

Number of members:

1,000,000

Principals:

Cinven (private equity)

CEO: Mike Metcalf

Media contact:

Lynda Brown, 44-120-284-5000

Markets served: Asia; Australia;
Belgium/Luxembourg; China;
France; Germany, Italy; Nether-
lands; Spain; Thailand; U.K.

Comments: Fitness First Group
is planning to open up to
40 new clubs in its current
financial year. While this
expansion will be spread across
all regional operations, the bulk
of new growth will be focused
on Australia, Asia and Germany.

Revenues

(reported in British Pounds)
2004: £355 million
(US\$681.2 million)
2003: £311 million
(US\$596.8 million)
2002: £224 million
(US\$429.8 million)
2001: £133 million
(US\$255.2 million)
2000: £65 million
(US\$124.7 million)

Holmes Place

www.holmesplace.com

100 Aldersgate Street
London EC1A 4LX

Phone: 44-207-786-7300

Founded: 1980

Number of clubs

2004: 76
(75 owned, 1 managed)
2003: NA
2002: 67
2001: 68
2000: 59

Number of members: 310,000

Principals: Bridgepoint/Permira

CEO: Ian Burke

Markets served: Austria;
France; Germany; Portugal;
Spain; Switzerland; U.K.

Comments: New clubs will
open in the U.K., Austria,
Portugal, Spain and Germany.

LA Fitness, Plc

www.lafitness.co.uk

60 Commercial Road
London E1 1LP

Phone: 44-207-366-8080

Fax: 44-207-247-7121

Founded: 1996

Number of clubs

2004: 67 (owned)
2003: 66
2002: 58
2001: 41
2000: 26
1999: 15

Number of members:

200,000+

CEO: Fred Turok

Media contact:

Carolynne Bull-Edwards,
44-207-366-8089

Markets served:

Ireland, Spain, U.K.

Comments: At press time,
LA Fitness had agreed to a
£140 million (US\$263.5 million)
takeover by MidOcean Partners.
The deal, which privatizes the
UK's last remaining publicly-held
company (composed only
of fitness clubs), values the
company at 220p/share.

Revenues

(reported in British Pounds)
 2004: £79.6 million
 (US\$151.5 million)
 2003: £72 million
 (US\$137 million)
 2002: £57 million
 (US\$108.5 million)
 2001: £38 million
 (US\$72.3 million)
 2000: £22 million
 (US\$41.9 million)

LivingWell

www.livingwell.com

477-488 Avebury Boulevard
 Central Milton Keynes
 Buckinghamshire MK9 3DB

Phone: 44-870-600-7001

Fax: 44-190-830-8811

Founded: 1996

Number of clubs

2004: 94
 (37 owned, 4 managed,
 53 franchised)
 2003: 91
 2002: 92
 2001: 90
 2000: 88

Number of members: 145,474

CEO: Patrick Fitzgibbon

Markets served:

Australia; Brazil; Germany; U.K.

Revenues

2005: \$103 million (projected)
 2004: \$90.1 million
 2003: \$89.5 million
 2002: \$84.4 million
 2001: \$69.8 million
 2000: \$48.3 million

Next Generation Clubs, Ltd.

www.ngclubs.co.uk

Layton House
 Kew Green
 Richmond, Surrey TW9 3AF

Phone: 44-208-614-9070

Fax: 44-208-614-9071

Founded: 1997

Number of clubs

2004: 12 (owned)
 2003: 10
 2002: 8
 2001: 6
 2000: 3

Principals:

Denis Brosnan, Chairman;
 Scott Lloyd, Managing Director

Media contact: Patrick Coote

Markets served:

U.K. and Australia

Revenues

(reported in British Pounds)
 2004: NA
 2003: £29.7 million
 (US\$56.5 million)
 2002: £20.8 million
 (US\$39.6 million)
 2001: £12.3 million
 (US\$23.4 million)
 2000: £5.2 million
 (US\$9.9 million)

Virgin Active Holdings, Ltd.

www.virginactive.co.uk

21 North Fourth Street
 Central Milton Keynes MK9 1HL

Phone: 44-190-854-6600

Fax: 44-190-854-6666

Founded: 1999

Number of clubs

2004: 100 (owned)
 2003: 91
 2002: 85
 2001: 78
 2000: 2

Number of members: 502,000

Principals:

Virgin Group/Bridgepoint Capital

CEO: Matthew Bucknall

Markets served:

Italy; South Africa; U.K.

Comments: The company will look to expand its interests in the U.K., Italy and African markets and consider any opportunities in Europe which become available and suit its business model

Revenues

(reported in British Pounds)
 2005: £140 million
 (projected) (US\$268.7 million)
 2004: £100 million
 (US\$191.9 million)
 2003: £86 million
 (US\$164.6 million)
 2002: £61 million
 (US\$116.8 million)
 2001: £29 million
 (US\$55.5 million)
 2000: £8 million
 (US\$15.3 million)

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Women's Health and Fitness

"Must Have Product 2004"

Muscle & Fitness Magazine

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to find out the details and how this program
will greatly benefit you and your facility.

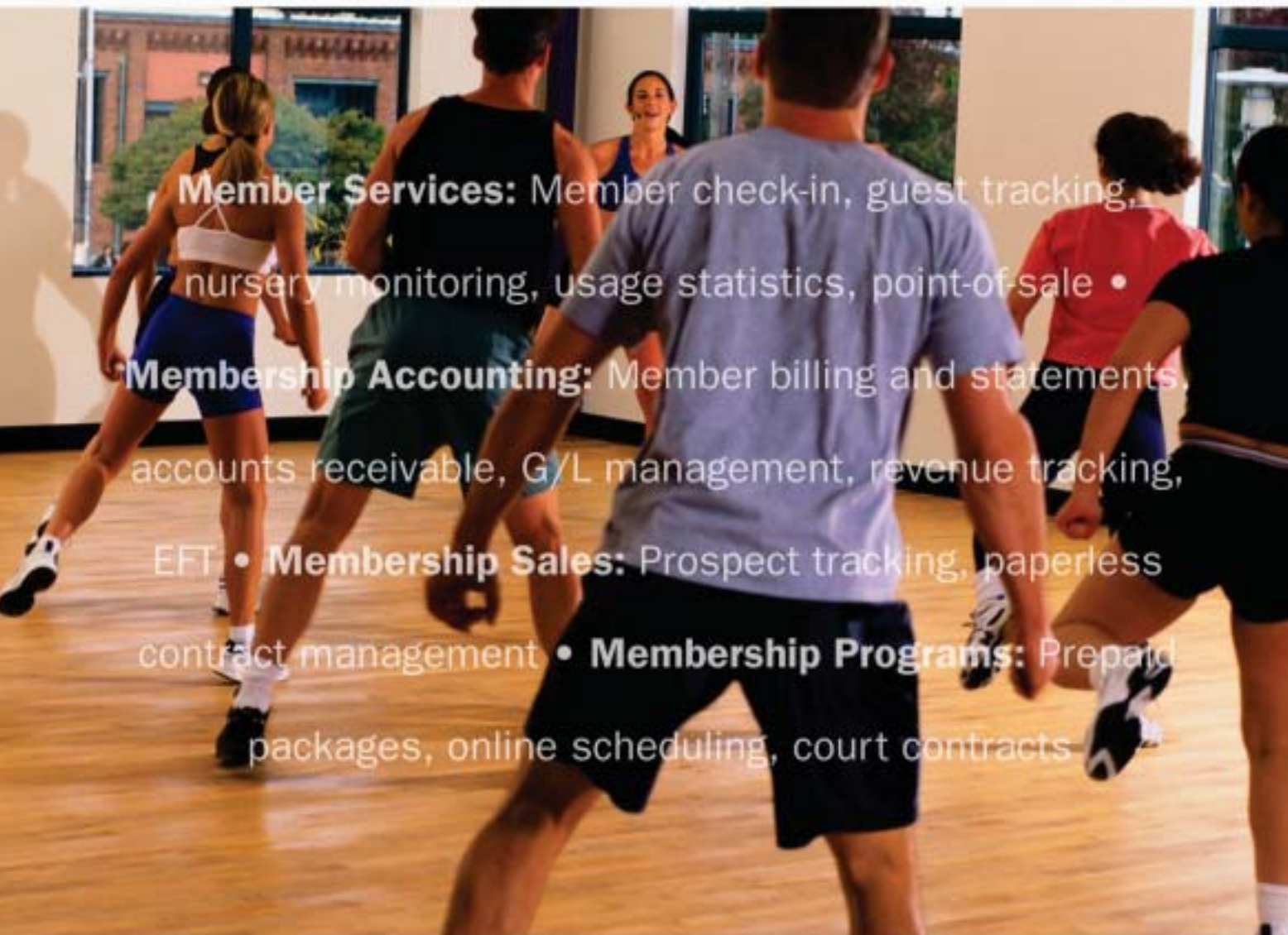


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Health & Fitness



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We created the extraordinarily successful Allegro program for personal training and group fitness, now found in major clubs in the United States, Canada, Europe, Asia, Australia, South America and Russia. We're a partner and a resource, providing consultation on programming, education, facility layout, return on investment and more.

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www.pilates.com

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 8220 Ferguson Avenue
 Sacramento, CA 95828

Product TRENDS



A LOOK AT WHAT'S NEW

in Equipment, Technology and Programs

By Stephen Wallenfels

As the issue of affordable health care continues to spiral out of control, and sedentary populations are faced with an alarming increase in lifestyle-associated diseases—the fitness industry is uniting under a common sense of purpose. Realizing that the product they sell—a healthy life through regular exercise—will soon move from being a luxury to a necessity, club operators are looking for ways to position themselves in front of the wave. It was a recurring theme—and dominated conversations—at the 2005 IHRSA Convention & Trade Show.

The youth market, families, sedentary populations, active aging and women were identified as keys to continued industry growth. For three days over 380 enthusiastic exhibitors displayed a host of products and services designed to attract and retain members. Trade show attendees walked 146,000 square-feet of trade show floor, their senses stimulated by thumping,

high-energy music, rich graphic displays and futuristic interactive video technologies. For the first time in the IHRSA tradeshow history, a second room was opened to accommodate exhibitor requirements and increased traffic. In all, 7,610 attendees visited the trade show, providing a perfect launching point for an industry poised to make a real impact on national and global health.

Enhancing the member's experience

Kevin Flaherty, the Director of Marketing at **Precor**, reflected on critical issues facing the industry and what Precor, along with other equipment manufacturers, are doing to meet them. “The key challenge is to find ways to effectively attract new people to fitness,” says Flaherty. “As an industry, once we get these people involved we can keep them coming back for more. ►



Technogym made a dynamic presentation of Kinesis™, a new addition to its comprehensive line of strength training equipment.

We do that at Precor with our focus on creating the ultimate member experience.” Precor reinforced that theme by introducing two new products, the EFX 576i elliptical trainer and the C776i climber, along with a seamless blend of movement and entertainment technology.

Technogym made a dynamic presentation of Kinesis™, a new addition to its comprehensive line of strength training equipment. “Kinesis is all about movement in a multi-plane, three-dimensional space,” says Kathryn Carlisle, the International Press Consultant at Technogym. Carlisle notes that Kinesis™, with its clean lines, innovative, non-intimidating

design and uniquely natural movements, will help clubs reach and retain difficult populations, “which will be a key,” she adds, “as facility operators look to grow their business in an increasingly competitive market.”

Christine Johnson, the Vice President of Global Marketing at **Life Fitness**, underscored their industry-wide commitment to innovation by introducing 11 new products, four of which include a suite of integrated entertainment options featuring touch screen technology. “Our research,” says Johnson, “shows that entertainment is a high priority with users looking to start and maintain an exercise program.”



Precor, which introduced two new products (the EFX 576i elliptical trainer and the C776i climber) focuses on “creating the ultimate member experience,” according to Marketing Director Kevin Flaherty.



Life Fitness unveiled 11 new products, four of which include a suite of integrated entertainment options featuring touch screen technology.



With its recent acquisition of Flex Fitness, Inc., Star Trac offered complete lines in cardio and strength.



Engaging the core while working multiple muscles is the aim of Gliding™, which uses patented sliding plastic discs.

StarTrac, with its acquisition of **Flex Fitness, Inc.** in November 2004, offered complete lines in cardio and strength. New this year in the cable crossover/multi-station category, are the distinctive *Pro Cross Trainer* and the *Elite Cross Trainer*. “In order to appeal to the sedentary markets, club operators need to find ways to differentiate, and ultimately make new and prospective members feel comfortable,” states Star Trac Marketing Manager, Craig Petinak. “Users want to feel successful the first time they try the equipment.” Mindy Mylrea, the 1999/2000 *Idea Instructor of the Year*, introduced her latest innovation, **Gliding™**, which uses patented sliding plastic discs (there are versions for wood or carpet) to compliment existing group exercise programs, or function as a standalone class. The discs are inexpensive, easy to store and can be used by either the hands or feet. Gliding exercises engage the core while working multiple muscles in smooth, fluid movements.

“In order to appeal to the sedentary markets, club operators need to find ways to differentiate, and ultimately make new and prospective members feel comfortable.”—Craig Petinak, Star Trac

Having the right flooring is essential. **Mondo USA**, the official supplier of athletic track surfaces for the last seven Olympic Games, was on hand displaying its durable and high-performance sport and commercial surfaces. Athletes can improve their performance by working out in **Colorado**

Altitude Training’s Colorado Exercise Room™. “Exercising in a controlled Altitude Environment will allow members to experience new boundaries for aerobic conditioning,” says marketing manager Akilah Mondesire. “Our flow-through technology gives the performance benefits of altitude simulation enjoyed by some of the most winning athletes in sports today.”

ActiveXL debuted with a backpack that the company will customize with a club’s own logo for facilities that generate at least 500 new members a month; the backpacks are available with the ActiveXL logo for smaller operations. The company is headed up by Tony de Leede, managing director of Fitness First Australia (FFA), who developed ActiveXL after handing out more than 200,00 backpacks bearing the FFA logo to enthusiastic Aussies. The backpacks served as “walking billboards” for the chain, de Leede noted. Active XL, which also produces a line of headphones for use with interactive fitness equipment, helped distribute customized backpacks to paid attendees at the IHRSA Convention & Trade Show.

Developing a stylish—and approachable—look

Many equipment manufacturers emphasized the importance of innovation and approachable aesthetics in attracting new markets. **Body Masters** introduced two new lines that highlighted those priorities: the premium *Premier*, featuring 13 machines with a distinctive new look and feel, and the *MT8*, a dual purpose multi-station unit with a complete cable crossover component. **Hampton Fitness** added color and comfort to group fitness with *Jelly Bells*, a urethane coated aerobic dumbbell which can be stored in a convenient, rotating and lockable storage bin. **Magnum Fitness Systems** returns to the basics in selectorized machines with the *Retro Series*. Tradition is recaptured by using

popper pins for stack adjustments, linear rather than bi-angular movements in the pulling and pressing units, and the pads feature a flat rather than contoured shape. Extensive use of rounded, bent tubing produces a refreshing, contemporary look, while retaining the non-intimidating, low profile found in the highly successful E-Series.

Iron Grip, which introduced the integrated handgrip in weight plates in 1993—has since added the unique Urathane line to compliment its wide range of free weight products. Iron Grip also offers the CD based eWeight Planner, which calculates the appropriate amount of free weights a fitness facility will need, along with including a complete library of equipment images from participating free weight and plate loaded vendors. **Ivanko Barbell Company** launched their newest product, a patent pending urethane dumbbell design to join the company's line of over 650 commercial grade barbell and dumbbell products.

“By making a strong visual impression, clubs are better able to differentiate in a competitive market.” —*Scott Logan, SportsArt*

SportsArt Fitness earmarked the tradeshow as the official launch for two new lines of equipment: the *XT20 xTrainer* (a recumbent cardio machine featuring independent training of the upper and lower body for enhanced muscle recruitment) and the new *Strength Series* of selectorized machines. Most of the new pieces reflect a commitment to innovative aesthetics with steel tubing bent in stylish arcs. “This look is a significant departure from contemporary designs,” notes Scott Logan,



The high-tech, weighted Xvest™ evenly distributes weight for balanced movement, effective training of core muscles, and improved cardio performance.

SportsArt Director of Marketing, “By making a strong visual impression, clubs are better able to differentiate in a competitive market.”

Easing the gray market into exercise

George Morrison, the President of **Xvest™**, identified the aging population as a vital market to the fitness industry—and noted that resistance workouts combined with functional training are keys to mobility and quality of life. The Xvest™ is a high-tech weighted vest that evenly distributes weight for balanced movement and effective training of core muscles and improved



With a wide range of weight products, Iron Grip also offers the CD-based eWeight Planner, which calculates the appropriate amount of free weights a fitness facility will need.



Nautilus introduced the My Stride™ EV916 elliptical trainer, a new line of commercial treadmills, and the TreadClimber™, an innovative combination of a treadmill and a stepper.



FreeMotion highlighted a strategic partnership with the Parisi Speed School, a new franchise opportunity that incorporates elements of athletic training into a proven system designed to increase speed and overall athletic performance.

cardio performance. **SCIFIT®**, an industry leader in wellness and wheelchair accessible products, introduced upper body resistance arms to the popular RST7000 recumbent stepper. **VersaClimber** introduced vibration technology in the seated *VibXer* and the *VibXer Total Body Climber*. Vibration exercise benefits include increased fluid flow to muscles, improved muscle recruitment and enhanced bone density—all proved to be critically important to the aging populations. VersaClimber also brings a sleek new look and added features, like shortened step height in the *108 CM*, a high-tech interactive display module with audio feedback and a bracket for optional seated exercise in both the *108 CM*, and the *108 SM (sport model)*.

Nautilus launched the *Nautilus Institute*, a research-based information portal on the web that brings timely health and wellness resources to the general public. “We need to recognize that knowledge is the first step in making lasting lifestyle changes,” observes Ron Arp, Nautilus Senior Vice President of Corporate Communications. “Once people are knowledgeable, then they are better prepared to take advantage of the equipment and services a club has to offer.” Nautilus also introduced the *My Stride™* EV916 elliptical trainer, a new line of commercial treadmills, and the *TreadClimber®*, an innovative combination of a treadmill and a stepper, combining the ease of walking with the results of running or stepping. For clubs looking for ways to save money while increasing their inventory of popular cardio equipment—the **StairGlider** offers a unique and innovative solution. The patent pending StairGlider design transforms old stairclimbers into new elliptical trainers, a simple process that saves thousands over the purchase of a new OEM machine. StairGlider is distributed by **SPORTSMITH, LLC**, a recognized leader in providing the fitness industry with the largest selection of value-priced OEM and OEM-quality replacement parts for brand-name cardio equipment and accessories.

Joe Cirulli, Master Distributor of the **Core Spinal Systems** by **MedX**, detailed the importance of developing an effective program targeted at reducing chronic back pain. The MedX line is recognized as a clinically based benchmark in treating back pain, “and the Core Spinal System,” says Cirulli, “allows club operators to offer a scaled down but fully functional version of the MedX equipment.” In addition to adding credibility to a back pain program through the MedX name, Cirulli points out the potential of tapping into specific markets, such as golf, tennis and corporate wellness. **Balanced Body Pilates** introduced its new Tower of Power, which consists of a reformer, a half-trapeze and a mat—all in the compact footprint of an Allegro Reformer. The Tower of Power expands the versatility of the Allegro without taking up extra floor space. It’s expandable; you can start with an Allegro only, then add the Tower later. Plus, it folds down so the equipment can be moved easily and it retrofits flat, 14” and Stretch Allegros.

“We need to recognize that knowledge is the first step in making lasting lifestyle changes.” —Ron Arp, Nautilus

Focusing on kids and teens

FreeMotion™ Fitness introduced four new pieces of free weight training equipment, and **Nordic Track®**, under the same parent company, Icon Health and Fitness, featured the 9600e elliptical unit with convenient rear access and an integrated console. FreeMotion highlighted a strategic partnership with a new franchise opportunity, the **Parisi Speed School**, which

incorporates elements of athletic training into a proven system designed to increase speed and overall athletic performance. Notes speed school founder and owner, Bill Parisi: “Our system provides a very effective tool for clubs to increase revenues through the wide-open market of youth sports and sport specific training.”

Cybex identified the youth and “youthful” markets as critical for clubs in the coming years. Their new product, Trazer®, creates a virtual training experience by using proprietary interactive video technology to measure key performance criteria such as reaction time, acceleration, speed and power. “If you can’t measure, you can’t manage,” observes Ray Giannelli, Senior Vice President of Research and Development at Cybex.

Cathy Lambert, the founder and CEO of **Sportwall**, reaffirms the importance of clubs playing an active role in providing exercise opportunities for kids. “It’s vitally important that we find a solution for kids fitness,” says Lambert, adding that, to encourage participation, the activities need to be based around play instead of “working out”. The Sportwall system includes a series of skills games involving a padded “wall” with computerized targets that stress real skills transfer, such as throwing, running, hand-eye coordination and reaction time.

“If you can’t measure, you can’t manage.” —Ray Giannelli, Cybex

Hoist Fitness Systems featured the KL Circuit, a new nine-piece strength training line for the critical youth market, ages 7-14. Recognizing that strength training plays an important role in youth fitness, Hoist took care to make each piece entertaining as well as effective. “Every piece in the



New Leaf Health and Fitness incorporates medically and scientifically based metabolic measurements to design customized weight loss and exercise programs.

KL Circuit is a ‘ride’,” notes Hoist National Sales Manager, Bruce Kaplan. “By building the fun component into the equipment, kids are more likely to stick with the program and see positive, lasting results.” Since launching the KL Circuit, Hoist Fitness has placed over 150 units nationwide.

Using technology to manage the business

Continued growth through retention remains a point of emphasis for the industry. The ability to show progress through results is a key motivator, and exercise tracking technology is evolving into an



The focus was on kids at the Sportwall booth, which offers a series of skills games involving a padded “wall” with computerized targets that stress real skills transfer, such as throwing and running.



ASF International celebrated its recognition as the 2005 IHRSA Associate Member of the Year with a new booth and a new product: the Integrated Alliance Group.

essential tool. Exercise tracking was also identified as vital to expanding personal training services, making new members feel comfortable, maintaining lines of communication and encouraging members to stay involved. By combining the technology with the Internet, users are able to access their workout information from a customized website.

Fitness Insite, a turnkey website design company, provides a suite of features designed to build and manage critical club operations, such as sales leads, member retention and integration, information resources and staff-to-member communication. Services also include workout tracking, targeted email marketing, customized exercise programs and an interactive nutritional component. **New Leaf Health and Fitness**, a unit of the Angeion Corporation, incorporates medically and scientifically based metabolic measurements to design customized programs in weight loss, exercise and performance enhancement.

Exercise tracking was identified as vital to expanding personal training services, making new members feel comfortable, and encouraging members to stay involved.

FitLinxx, recognized as a pioneer in exercise tracking technology, introduced the *C-Series*, a scaled-down version of their flagship product. “The *C-Series*, at half the price, makes the proven benefits



CheckFree launched an on-line scheduling feature to help clubs increase member retention and maximize non-dues revenue.

of FitLinxx an affordable option for club operators,” states Keith Camhi, FitLinxx founder and Chairman of the Board. **Concept 2**, with the new smoother, quieter, *Model D* rower introduced in 2003, now offers Smart Card—a memory card that maintains a performance log of workouts. **ActivTrax** brings the convenience of detailed, personalized workouts to members and personal trainers. ActivTrax owner, Gary Albert, notes the easy integration of the system. “With a simple baseline strength test using six machines, we can virtually design an unlimited number of unique workouts.”

Ron Polisenio, the Director of Client Development at **CheckFree**, identified two major concerns facing club operators: member retention and maximizing non-dues revenue. To help meet those concerns, CheckFree launched an on-line scheduling feature that, “can accommodate any service that a club provides,” states Polisenio. “It is totally integrated with existing systems, and is available as an upgrade.” CheckFree, a \$700 million company, specializes in streamlining, automating and consolidating major club operation functions.

ASF International celebrated its recognition as the 2004 IHRSA Associate Member of the Year with a new booth and a new product: the Integrated Alliance Group. Through the *Integrated Alliance Group*, ASF has established strategic partnerships with companies like **Visual Fitness Planner** and made them part of the total ASF package. “By incorporating these and other services into our club management tool,” states Tamara Valdez, Vice President of Marketing at ASF, “we help club owners to stay focused on the important goal of growing their business, rather than spending valuable time and money to research and establish relationships with a variety of providers on their own.” Valdez adds that the one-stop-shopping trend, so highly valued by customers looking for a club, is similarly appreciated by club operators looking for tools to automate, market and manage their business.

Company	Page	Phone	Contact	Web
ASF International	2, 3	800-227-3859	Sean Kirby	www.asfinternational.com
Balanced Body Pilates	TAB	800-745-2837	Dave Littman	www.pilates.com
CheckFree Corporation	TAB	800-242-9522	Ron Polisenio	www.checkfreeclubmanager.com
Colorado Altitude Training	51	877-258-4883	Akilah Mondesire	www.altitudetraining.com
Creative Agency Group	16	800-888-8381	Jon Denley	jdenley@creativeagency.com
CSI Software	11	800-247-3431	Frank McDuff	www.csisoftwareusa.com
CYBEX International, Inc.	TAB	508-533-4300	Deb Cowell	www.cybexinternational.com
FreeMotion Fitness	Inside Back Cover	877-363-8449/int'l (+1)719-533-2900	Kari Darnell	www.freemotionfitness.com
Gold's Gym International, Inc.	4	800-457-5375	Courtney Minor	www.goldsgym.com
Iron Grip Barbell Company	TAB	800-664-IRON	Donna McCallum	www.iron grip.com
Ivanko Barbell Company	TAB	310-514-1155	Chet Groskreutz	www.ivankobarbell.com
Life Fitness	Back Cover	800-634-8637	Mike Rotz	www.lifefitness.com
Mondo USA	TAB	800-441-6645	Matt Sheafer	www.mondousa.com
The Nautilus Group, Inc.	Inside Front Cover	800-628-8458	Pete Dame	www.nautilus.com
New Leaf & Fitness Products	23	888-826-2751	Maureen Vandal	www.newleaffitness.com
Precor Commercial Division	TAB	800-786-8404	Chris Torggler	www.precor.com
Star Trac	1	800-228-6635	Paul Ireland	www.startrac.com
TECHNOGYM	Front Cover	800-804-0952	Ivo Grossi	www.technogymusa.com
X-Vest	52	800-697-5658	George Morrison	www.thexvest.com



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