

Changes at Fitness First Australia

So, what's going on?

The upcoming change of Fitness First ownership from BC partners to the prospective owner Oaktree has enabled the re-capitalisation of the global business ensuring our long term financial health for the future. This re-capitalisation of the business, has resulted in the removal of most of the existing debt, and a significant new capacity for investment and expansion.

This restructure will allow Fitness First to make significant improvements to its clubs and it will also mean new club openings. The choice of investment in how, and where, we spend this working capital is paramount to our performance in the future. With this in mind, we have analysed our portfolio of clubs and it is clear that our current estate in Australia differ in quality, location and overall offering, now and for the future. Today the business has made the decision to put up for sale 24 of its clubs that do not fit the profile of the future. The following clubs will be going through this sales process:

Balga	Five Dock	Granville
Tuggerah	Pennant Hills	Lane Cove
Wollongong	Norwest	Kotara
Campbelltown	Epping	Nunawading
Chadstone Platinum	Highpoint	Malvern East
North Quay	Essendon	Southport
Springwood	Mt Gravatt	Jindalee
Holden Hill	Hindmarsh	Marion

You and Your Membership

How will this affect my experience of my club in the next few weeks?

We hope that you continue to enjoy working out as normal. You don't need to do anything, but if you have any specific queries about your club experience, please raise them with either your General Manager or Customer Care Manager at the club on your next visit.

When will we know when and what clubs are sold?

The expressions of interest will be open for a minimum period of four weeks. At this time we will be in a better position to advise the next steps including dates.

What is going to happen to my membership?

It's likely that all Fitness First memberships in clubs which are sold will be transferred to the new club owner. Membership entitlements will be honoured to the degree to which the new owner's operations can accommodate them. Once an owner has been selected we will review entitlements with the view to accommodate most, if not all of them. You will receive notification of any change in ownership once the Sale Agreement has been completed.

But what if I want to stay with Fitness First?

If you are a:

Home Member: We can change your home club to a new club at the rate of the new club, or upgrade your membership to Platinum or Passport at additional cost – you will have a new club to call your home and be able to work out at other clubs too.

Platinum/ Passport Member: We will move your membership to a new club, and you can continue as usual.

Please see one of the team at your club and they can help you get your membership sorted.

Can I cancel my membership or downgrade?

Yes, as per the Terms and Conditions of your membership, however you don't need to do anything right now. We will give you six weeks notice of any changes that affect your membership so that you can make decision about what you would like to do.

What if I'm Passport/Platinum member of another club and train regularly at a club for sale?

If you would like to continue training at the club, it will be important to see who the new owner is, and what options are available after a sale process has been completed. We will make sure we give you ample notice to make a decision. Our goal is to have minimal disruption to your training program.

What if I'm not sure about staying?

Should a club be sold to another operator, your membership is likely to be transferred to the new club name and your training programme will continue uninterrupted. The key is to see what happens and make that choice once you have more information.

If my club sells, why does my contract automatically transfer to the new owner of the club?

The business contracts are assignable, and therefore the same agreement is transferred to the new owner. We understand you may consider cancellation an option, so take a look at your entitlements in our Terms and Conditions of membership. We do encourage you to wait and see who may purchase your club.

Are services I have already purchased but not yet received like Guest Passes still valid?

Yes, these may be redeemed in the usual way.

Will I be notified if there is a change in ownership of my club?

Yes, Club Management will advise you of any change in ownership of your club.

I want to transfer/upgrade to another club I train at?

We would be happy to assist you with that. Please see one of the team at your club who will set you up.

When will my last direct debit day with Fitness First be?

We can't be sure about information like this until we have new owners for the club. We will be in touch with this information as the process continues.

What happens to my bank details and private information?

Your privacy will continue to be respected throughout this period of change. Your membership contract will be assigned to the new owner to keep on their membership database.

Will you let me know the date of handover to the new owner?

We're at the start of the process, but if a contract is signed we will let you know, and continue to inform you along the way.

I have a Platinum membership, Will I be automatically downgraded if my club is sold and I stay on?

Until we have clarity as to your new owner we are unable to answer this, but we'll keep you in the loop as the sale process continues, and let you know your options if a sale is finalised.

What happens to my membership if the club is not sold?

Our main focus is on finding a suitable owner for all clubs up for sale and we are confident that we will find owners for most or all of the clubs. We'll let you know what is happening as we go through the sale process, and keep you informed of everything you need to know. Over the expressions of interest period (minimum of four weeks from the 1st June 2012) we will understand further what the next steps are and as such will ensure you are kept up to date. We are always keeping your best interests in mind as we make decisions through this process.

More about Fitness First and the Sales Process

When will we know when and what clubs are sold?

The expressions of interest will be open for a minimum period of four weeks. After this time we will be in a better position to let you know the next steps, including dates.

What if I am interested in buying the club?

Please refer all enquiries through to: 333 Capital and speak with either Chris Martin 0417 242 921 or Andrew Knight 0433 156 430

What notification was sent out about the sale? An email was sent on Friday 1st June outlining the review of the portfolio and the changes being made. You can ask your club team if you have any further questions.

Are you selling any more clubs?

The clubs not listed for sale will continue with a strong future with Fitness First under new ownership – we have no plans to sell any more clubs at this stage. Our focus is on our clubs delivering the absolute best in fitness to you.

Will you be improving facilities of the clubs you don't sell?

We're taking a really close look at all our clubs to make sure they meet the standard we expect from a Fitness First club. We're going to be giving our clubs a lot of love and attention as we move into our new structure - we want you to have the best possible experience while training with us.

About your Club

Will there be any changes to the sale clubs?

Not at present- we will continue operating as normal. When the club sells, we will be working with a new owner and will have more information about the club transition at a later stage.

What about the Swim School program at Five Dock?

Our Swim School program is run by a specialised Swim School operator. All agreements will be assigned to the new owners, and it will be business as usual.

What about maintenance for the clubs?

These clubs will be maintained as per usual – we want your training to continue to be a great experience, so we will ensure that facilities are at their best.

What about Club Staff?

Can I continue to use my current Personal Trainer at the club?

Personal Trainers will have a number of options to consider. They can keep you updated with their plans for their training, so please have a chat with them about what you would like to do.

Will my favourite Group Exercise instructor move to another club?

Once we have new owners for the club we will know which members of staff will be continuing at your club. Your favourite classes will continue as normal throughout the sale period.

Will staff be given jobs with the new owner?

A club needs staff to run and we have a great team at all of these clubs. We will be helping club staff with their transition to a new club owner, or to move to another Fitness First club. We will know more once a sale announcement has been made.

Who can I speak with?

I have more questions. Who should I ask?

Please have a chat with your Club General Manager.