



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE QUADRANT'S PROPOSED ACQUISITION OF FITNESS FIRST

1 December 2016

The Australian Competition and Consumer Commission will not oppose Quadrant Fund 5's (Quadrant) proposed acquisition of Fitness First Asia Pacific Group Pty Ltd (Fitness First).

Quadrant owns the Goodlife Health Clubs network (Goodlife) and is the head franchisor of the 24/7 gym chain Jetts Fitness (Jetts) in Australia. Fitness First, Goodlife and Jetts' operations overlap in Victoria, New South Wales and Queensland.

Some market participants raised concerns about the combination of Fitness First and Goodlife, which are the two largest chains of 'full service' gyms in Australia. Full service gyms typically offer a range of weight and cardio equipment, as well as group training classes.

"The ACCC determined that following the proposed acquisition, Fitness First, Goodlife and Jetts would continue to face competition from other alternatives, including low cost gyms such as Anytime Fitness and specialist gym providers such as F45 and Crossfit," ACCC Commissioner Roger Featherston said.

"The ACCC also found that convenience of location was an important factor in a consumer's choice of gym, thereby giving an individual gym an opportunity to compete against a chain of gyms."

"Other suppliers of fitness services, such as bootcamps, or specialist studios, such as pilates, also impose a degree of competitive constraint on full service gyms," Mr Featherston said.

The ACCC took into account the dynamic changes and high churn rates affecting the gym industry in recent years. A number of new operators, including overseas operators, have entered the market and experienced significant growth in a short space of time, particularly in the low cost gym and specialist gym market segments.

Further information is available at www.accc.gov.au.

Background

Goodlife has 77 clubs in Australia and approximately 200,000 members. Its clubs are in New South Wales, Queensland, Victoria, South Australia and Western Australia.

There are over 200 Jetts gyms in Australia, spread across New South Wales, Queensland, Victoria, South Australia and Western Australia. Whilst some Jetts gyms are owned by Quadrant, the majority are owned by franchisees.

Fitness First has approximately 60 gyms in Australia and approximately 240,000 members. Its clubs are in New South Wales, Queensland, Victoria and the Australian Capital Territory.