

FITNESS NEWS

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European gym market on the rise

Fitness has reaffirmed its standing as the most wide-spread organised sports activity in Europe as the number of gym memberships increased by 3.9% to 52.4 million last year.

The latest research conducted by Europe Active and Deloitte found that the fitness sector reaped sales of about €26.7 billion across Europe last year, which was an increase of 4.9%. However, the number was distorted by exchange rate changes and average membership fees actually declined.

The U.K. fitness industry delivered the strongest rise in sales, with an increase of 17% in euros. Without the impact of exchange rate changes the market still expanded by 5.4% to £4,078 million (€5,097 m) in 2015.

The continued rise of the U.K. gym sector amid the proliferation of low-cost gyms indicates that these budget-friendly clubs are helping to enlarge the scope of the business. The U.K. was already the largest European market in 2014, ahead of Germany, Italy, France and Spain.

The numbers are to be outlined and analysed today at the European Health and Fitness Forum, held in Cologne for the second time before the start of FIBO.

The European health and fitness market report found that the number of facilities increased by 3% to more than 15,200 in 2015. The top 30 operators accounted for about 21% of the membership and the top 10 players saw their turnover increase by 4.2% to €2.8 billion.

The research indicates that the low-cost market is growing in some countries but appears to have become stagnant in a few others where the development of these operators started earlier, such as Germany and the Netherlands.

At the same time, the report pointed to expansion at the upper end of the market, which came from two directions. Much has been said about



Chains such as The Gym Group apparently helped to expand the British market. Photo: The Gym Group

the rise of specialist gyms, such as CrossFit and Gymbox, but some of the more established chains also contributed to the growth of the quality operators. Fitness First, David Lloyd Leisure, Sats Elixia, Virgin Active and Injoy have all made substantial investments in equipment, programs and staff to set themselves apart from their low-cost rivals.

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Gym pass groups rush into European market

A Europe-wide battle has started in the market for gym pass aggregators, as a stack of European start-ups and foreign competitors are scrambling to get gyms and users signed up to their platforms.

The arrival of ClassPass in London last year was accompanied with the rise of European players like Somuchmore in Germany and Gymlib in France, which have rapidly built up their networks of participating gyms.

The competition is taking on

another dimension this year with Gympass, the Brazilian market leader, which set up shop in Europe in August and has already built or bought its business in four countries. "We have the same expectations for Europe as for the Brazilian market," says Emílio Maciel, who runs Gympass in France.

Most agree that aggregators in the European fitness market are unlikely to have the same impact as in catering and hotels, due to the importance of proximity and the demand for regular workouts. But most es-

timates are that they could end up taking at least 5% of the European market – and that the cards are being dealt out right now.

PayasUgym was one of the earliest entrants when it started five years ago, which has given it a distinct advantage in the British market. About 2,500 gyms have joined the platform and the owners are targeting 3,000 by the end of the year. The London-based company boasts 50,000 active users, who buy daily or monthly passes.

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NEW!

You're reading the special FIBO issue of Fitness News Europe, the independent business news publication for executives in the international fitness industry. With an online portal and a bi-monthly newsletter, Fitness News Europe provides reliable business news and often exclusive analysis on the fast-moving fitness market. Turn to the back page for further information about the publication, to register for a free trial and obtain your subscription at a special launch rate.

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Gear Briefs

■ **Gym Aesthetics** high-tech underwear and the **Icaros** virtual reality training machine are among the twelve finalists for the FIBO Innovation and Trend Award this year, along with products from leading suppliers such as the Connexus from Matrix and the XT-One from Octane Fitness. For the first time this year three prizes are to be awarded, by the jury as well as private visitors and trade visitors. The winners will be announced at the FIBO Party on April 9. The products of the twelve finalists are on display at the Innovation Forum in Hall 4.2. This part of the fair has a small section dedicated to wearables, with companies such as Jabra and TomTom.

■ The intersection between fitness training and health-related prevention is particularly topical in Germany this year due to the adoption of the Präventionsgesetz, which introduces new measures in favour of prevention and early detection of illnesses. The many implications of this initiative are to be discussed at the congress of the German association for sports medicine and prevention (DGSP), which will be held at FIBO for the first time on Friday. The FIBO Med Congress held on Saturday at the Congress Centre North is to discuss various aspects of bio-tracking and “big data.”

■ If the technological gizmos are all getting a little overwhelming there's **Mopusher**, which describes itself as the most honest fitness band in the world. Instead of electronics connecting the wearer with the entire universe, the band comes with little colored loops that may be added or removed, depending on the fitness targets set or achieved. The company says the resolutely analog product is meant to simply and constantly remind wearers of their fitness goals and to visualise their progress, without the technological overload. Mopusher is one of the more offbeat young companies at FIBO this year.

FIBO diversifies with the market

The rise of personalised training programs is the trend that most clearly influenced the updated layout of the FIBO fair this year – catering for a wider range of equipment, services and digital technology for personal or small group training.

The trend is drawing plenty more companies to Cologne. The number of exhibitors has soared to 960 this year, up by more than 30% compared with 2015, and the floor space allotted to FIBO has increased by more than 20% to 160,000 square meters.

The most conspicuous change is in Hall 5.2, which is almost entirely dedicated to electric muscle stimulation (EMS), wearables and nutrition. It adds

customers find the right way to train,” Scholz explained. “We decided to move in this direction and to address personal trainers who want to set up their own gym.”

Just above Hall 5.1, which is entirely dedicated to group fitness for the first time this year, Hall 5.2 accommodates a growing number of exhibitors involved in EMS and nutrition. It also makes more space for established suppliers such as Miha Bodytec, which is taking up about twice the surface it had last year.

The functional training specialists in Hall 9 could be regarded as part of the same trend. The more traditional equipment makers in Halls 6 and 7 have also been widening their ranges

Among the novelties in the side program is the first EMS symposium, which will run on all four days of the fair in Hall 5.2. The forum on Digital Fitness Trends organised in conjunction with the German industry association for fitness and health (DIFG) will be held in the same hall on Thursday, with simultaneous translation available at both events.

FIBO will also be assisting the industry in the search for new concepts through a program for gym founders, on Saturday at the Networking Lounge in Hall 8. It will include the first Concept Award from Deloitte and the German Employers' Organisation for Fitness and Health Clubs (DSSV). The winner will get concrete support to turn his or her idea into a start-up.

To make the fair even more efficient this year, the organisers are targeting a much clearer distinction between trade and private visitors. The count was somewhat unclear in previous years, because private visitors often got their hands on passes that were meant to be handed out to trade customers.

FIBO has thus adjusted the registration system to make sure that visitors are properly identified. Exhibitors have been asked to play along, which should help to improve the quality of the visitor flow in the FIBO Expert halls.

FIBO predicts that the number of visitors should be about stable this year, after a rise of 19% to 138,000 visitors last year. The organisers are targeting a roughly equal number of private and trade visitors, with about 10% more international trade visitors.

FIBO's marketing efforts to draw more international customers have focused on the five countries where the one-day events of the FIBO Innovation Tour were organised with Europe Active earlier this year, from Turkey to Russia, Poland, Sweden and Italy. The United Kingdom and France will be on the list again next year, along with the Baltics, Spain and Austria.



EMS at FIBO.

Photo: FIBO

an extra hall to FIBO Expert, which is targeted at trade visitors, and leads to a reshuffle of the halls for other visitors.

Ralph Scholz, FIBO event director, explains that the new Expert hall ties in with the development of the European market. While low-budget gyms have been proliferating in many countries, other players are putting more emphasis on service and personal support for their members.

The event director says the trend is relevant to established gym operators as well as specialists who are just getting started. “Gym owners are thinking in smaller dimensions, with less investment but more special services and guidance to help

to cater for the demand of specialist and functional training – through their own innovation or acquisitions.

The other major adjustment at FIBO is in the side-program, with more symposiums and workshops to help create new business models for the gyms. Scholz says such a rethink will be crucial for the expansion of fitness markets like Germany, which are already strongly developed.

“The increase in fitness participation should drive continued growth in Germany for two or three more years, but after that we will have to come up with new business models to achieve long-term growth,” he explains.

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Functional training and mergers reshape FIBO offering

With the growing European demand for customised gym formulas and a spate of acquisitions in the last two years, leading equipment suppliers are turning up at FIBO with increasingly diversified product ranges.

Some of the market leaders have brought along an assortment of products that could fill several catalogues, often covering multiple categories with several brands.

Among them is Life Fitness, which is unveiling a console for its cardio equipment with a new user interface and plenty of other



HD Athletic Rig.

Photo: Life Fitness

technological advances. Life Fitness is also featuring a system for personal training programs in small areas, which is an adjusted version of the full-size system.

Another brand in the Life Fitness division, Hammer Strength is fully latching on to the functional training trend with a wide array of products such as dumbbells, plyo boxes and resistance bands. It has a system of rigs, racks and storage, Hammer Strength HD Athletic.

But this year the group is also attending FIBO as the owner of the Cybex International brand, which is putting emphasis on its Cybex Sparc for high-intensity interval training. As previously reported, Cybex was acquired earlier this year by Brunswick Corp., the owner of Life Fitness, Hammer Strength and other brands.

Some Cybex distributors have been told that their contracts

would continue under the ownership of Life Fitness. Among them is MoveToLive, which fulfils robust demand for Cybex in Germany, Austria and the Benelux countries. "The idea is that they want to separate the distribution of Life Fitness and Cybex," says Lars Schmidt, the company's chief executive. He adds that the group will work together with Life Fitness to jointly expand their ranges and market share. Life Fitness could help Cybex to fill some gaps in its offering, for example by supporting the development of a Cybex-branded elliptical or sharing some insights into connected fitness.

The offering at Core Health & Fitness has also been reshuffled after expansion and reorganisation. Earlier this year, the company decided to bundle the German distribution of the Nautilus, Stairmaster and Schwinn indoor cycling brands in the commercial market under the Star Trac subsidiary in Munich. The company had already brought their distribution together last year in the United States and the United Kingdom.

All four brands are to be displayed together in Cologne. Not unlike its rivals, Core Health & Fitness boasts that they cover a wide range of fitness categories, but the ranges have been rejigged. "Star Trac has become our brand for cardio products and we're rebranding the strength equipment as Nautilus," explains Sophie Love, European marketing manager for Core Health & Fitness. While the Star Trac equipment was made in China, the Inspiration Strength range with the Nautilus brand comes from the Nautilus factory in Virginia.

Focusing on high-intensity products, Stairmaster is launching a new upper body ergometer.

The Schwinn indoor cycling range is complemented this year with three bikes from Star Trac. Cardio products from both the Stairmaster and Star Trac brands are equipped with all-new consoles.

MovetoLive thus started selling another brand of indoor cycles, Stages, in the German-speaking countries and the Benelux around October. Cybex, True Fitness, Free Motion and Octane Fitness are the four other brands on the huge MovetoLive stand.

The European distribution and operations for Octane Fitness are apparently unchanged as yet, more than three months after its acquisition for \$115 million by Nautilus Inc., which focuses on home fitness equipment. Octane's distinctive approach to low-impact cardio equipment has impressed customers this year with the XT-One, which allows users to walk, jog, hike and climb on the same machine, with easy switches from one form of exercise to the other.

Precor is another company that requires increasing space to display its range. That includes updated cardio products from Precor, with technology-packed consoles, and strength products that have undergone a "comprehensive design overhaul" and provide "enhanced functional capabilities."

But at the same time, the company has brought along three



Octane's XT-One

Photo: Octane

Spinning bikes that stem from a partnership sealed last year with Mad Dogg Athletics. Another conspicuous addition is Queenax, the Italian brand of functional training equipment, which was bought by Precor last year.

The company says that the expansive range should allow gym operators to build a complete business, with equipment and accompanying programs and services, which ties in with the growing demand for customised concepts in Europe.

Cybex appoints international MD

While Life Fitness has yet to finalise the European integration of Cybex International, which Brunswick Corp. acquired for \$195 million in January, Jason Worthy has been appointed as Managing Director Cybex International. He is taking over from John Young, who is leaving the company on April 15.

Worthy was promoted earlier this year as managing director for the direct business of Life Fitness in Europe, the Middle East and Africa (EMEA), which was a new position at the company. The integration with Cybex and Young's departure led to another reshuffle but it remains unclear in what way Worthy's functions in EMEA will be covered.

As previously reported, the Cybex acquisition forms a fitness division with sales predicted to reach nearly \$1 billion this year.

"With the growth of specialist offerings from studios across Europe, the Middle East and Africa, all clubs that offer either the self-service model or the supported model need to provide a heightened experience," says Miles Rimell, marketing director for Precor in EMEA and Asia Pacific.

As previously reported, the same trends are in evidence at Johnson Health Tech, which has already diversified with acquisitions in the last years and is searching for more buys.

Technogym float set for May, with estimated valuation above €1 billion

Technogym should reach the Italian stock market by May after it filed the documents required for its initial public offering (IPO) on the Milan stock exchange a few days ago, leaving analysts to scratch their heads over the potential valuation of the Italian fitness equipment maker.

As previously reported, Technogym already filed preliminary documents for its IPO in February, and the formal request was sent out on March 25 to the stock exchange and the market regulator, Consob. A spokeswoman for Borsa Italiana said that an IPO normally occurred within six weeks after the formal application.

The intended IPO should allow for the exit of Arle Capital Partners, which holds a stake of 40% in the Italian company, while the remaining 60% are in the hands of Technogym's founder and chief executive, Nerio Alessandri, and his brother Pierluigi. Technogym indicated that the Alessandris did not intend to offload any of their stake as part of the float, meaning that up to 40% of the company's shares could end up on the stock exchange.

Several Italian newspapers referred to a potential valuation of about €1 to €1.2 billion for Technogym, which reported a sales increase of 10% to €512

million last year, more than 93% of that in foreign markets. Operating profit soared by 40% to €86.7 million. The estimates thus amount to an EBITDA multiple of 11 to 12.5 times, taking into account net debt of €57 million.

But it has been suggested that the valuation should take into account other assets of the Technogym brand. "They are trying to sell the idea that Technogym is recognized not only as a producer of fitness equipment but also as a brand with outstanding design, that is associated with a certain lifestyle," explained one Italian analyst.

The stake of 3.2% held by Candover Investments, which is part of the 40% package managed by Arle Capital, provides an indication. Candover's preliminary report for 2015 puts the value of the stake at £22.5 million, which would add up to about £703 million (around €880 million) for all of the company. However, one of the stakeholders said that the Candover valuation could not be regarded as an entirely reliable reference, due to the small size of the stake.

Two of Technogym's rivals are listed as part of much larger groups involved in other categories. Life Fitness is part of Brunswick Corp., but the fit-

ness division made up less than 20% of the group's turnover last year (before the acquisition of Cybex International), while the remainder came from boating and marine industry.

in Japan.

"The valuation of sports equipment companies is much lower than for the sports companies involved in soft goods, but fitness equipment is a little



Technogym's Skill Mill.

Photo: Technogym

Precor is part of the Amer Sports Group in Finland, which is diversified in sporting goods with brands such as Wilson for racquet sports, Salomon and Atomic for alpine skiing, Arc'teryx for outdoor garments and much more. Precor only made up about 14% of the Finnish group's turnover and 15.3% of its operating profit last year.

Some analysts have been studying comparisons with other sporting goods equipment makers, such as Shimano

different because it is currently driven by the same trends as sneakers and it can be linked nicely to connected fitness," said another analyst.

The uncertainties about the timing chiefly relate to the current instability of the Milan stock exchange. The volatility of the blue chips could lead to reduced trading in mid-sized and small caps.

The IPO is led by Mediobanca, Goldman Sachs and JP Morgan.

Tech Briefs

■ **Fitbit** boasts that it sold more than one million units of the Fitbit Blaze in its first month on the market, which was above the company's own expectations. The U.S. supplier of fitness trackers said that the Blaze was the bestselling device in both the smart watch and heart monitor categories on Amazon. Fitbit also sold more than one million Fitbit Alta trackers since they became available on March 9. Earlier in March the company announced a partnership with Amazon Echo's digital assistant, Alexa. This means that Fitbit users will be able to hear information and praise about their fitness activities from a human voice. The Echo amounts to a speaker equipped with Bluetooth, which is activated with the name Alexa.

■ As part of its Innovation Summit in New York on March 16, **Nike** said it was rebuilding its Nike+ app for sports and fitness enthusiasts. Three of Nike's leading rivals have bought such apps in the last two years: Under Armour snapped up MapMyFitness, Endomondo and MyFitnessPal, while the Adidas group bought Runtastic and Asics purchased Runkeeper. Nike is instead upgrading its own app, integrating existing apps for training and running, and adding personalized tips about training and the latest gear. The new app is to be released in June. The summit was held just a few days before the Nike group announced that its sales advanced by 7.7% to \$8,032 million for the quarter until the end of February, with a 20% jump in net profit to \$950 million.

■ **LifeBeam**, which supplies technology for wearables to brands such as Under Armour and 2XU, has raised \$16 million for further innovation. The U.S. company said the funding round was led by Squarepeg Capital, with participation from several others. LifeBeam is working on a product it calls Awareables, which integrates very accurate biometrics and a personal training agent. "This is another significant milestone to help us fully accomplish our Awareable vision. Our new product is designed to provide consumers with the most personalized and insight-driven workout experiences," said Omri Yoffe, co-founder and chief executive of LifeBeam, in a statement on the funding. Lifebeam is set to launch its first Awareable product this spring on Kickstarter.

eGym plans international expansion after \$45 million fundraise

Egym is preparing to “aggressively invest” in the expansion of its technology and digitization strategy after it raised a whopping \$45 million from investors led by HPE Growth Capital from Amsterdam.

The company has been spreading rapidly in the last two years, with strength equipment and software that offers personalized and dynamic training plans to gym members. The aim is to support their motivation and thus increase retention rates.

eGym says it already covers the German-speaking countries as well as the U.K., the Benelux countries, France, Spain, Portugal and Poland. Several other European countries will “follow shortly” and eGym will then turn to other international markets, starting with the U.S. and Asia.

Philipp Roesch-Schlanderer, the company’s chief executive, says the expansion has been driven by digitization. “Countries like the U.K. or the U.S. with a high number of personal trainers require more data for more individualized member support. We see the same need for comprehensive data in gyms with a

higher number of older users,” he adds.

HPE Growth Capital aims to take advantage of scaling-up opportunities coming from digitalization. “We strongly believe that technology will revolutionize the way people exercise and contribute to a healthier and stronger lifestyle,” said Manfred Krikke, partner at HPE, in a statement on the fundraising, adding that it identified eGym as a “market leader.”

Previous investors including Highland Capital Partners Europe have taken part in the latest fundraising. The previous round of financing raised \$15 million in July 2014 and brought Highland Capital on board. eGym’s launch was supported by Bayern Capital and the High-Tech Gründerfonds.

While eGym has its own range of connected strength equipment machines, the software integrates with an increasing number of devices from other manufacturers. Exercise results are stored on the eGym Cloud and may be consulted through the eGym app, allowing for progress to be closely monitored by members and personal trainers.

The eighteen strength machines made by eGym synchronize with the software when the user engages with them. The equipment generates resistance using an electric motor and the weights are dynamically adjusted to the user’s strength.

eGym boasts that about 1,000 gyms in Germany have adopted the system. While eGym declines



Philipp Roesch-Schlanderer/ eGym

to provide detailed figures on usage, Roesch-Schlanderer says it has “significant data proving that churn is down where eGym equipment is being used.”

The Munich-based compa-

ny has added another business unit, eGym Physio, which targets physiotherapeutic practices with the group’s fully electronic hardware and related software. The company adds that it provides special training for physiotherapists, in terms of marketing and business development, and that its new training goal and methods are chiefly targeted at physio practices. More physio-specific features are currently under development.

The technology firm is at FIBO with its eGym member app, which allows users to track their workouts in and out of the gym and to synch all data and training plans with the eGym training app.

eGym has also developed a training method intended to boost elasticity and a rehab training goal for people who don’t usually work out or who haven’t yet reached the physical condition to work with standard configurations.

The company’s head of sales, Mario Goerlach, is managing director at Fle-xx, which explains their appearance on the same stand.

Escape Fitness takes FunXtion on board

FunXtion, the Dutch company that sells digital support for functional training, has sealed a far-reaching strategic partnership with Escape Fitness, which provides it with instant access to international distribution.

The agreement marks a huge leap forward for the Dutch brand. While FunXtion has been gaining recognition with sales in the Netherlands and Belgium, the tie-up with Escape Fitness means that it will be distributed by some of the most established players around Europe and other markets.

“It’s a great arrangement because it brings together the equipment from Escape Fitness and our digital platform, and it’s a very big opportunity for us to grow rapidly in international markets,” explains Ernst de Neef, chief executive at FunXtion.

FunXtion provides digital guidance and motivation for the growing number of people who practice functional training.

The platform consists of digital stations with touchscreens, which look like giant smart phones and are meant to be placed in the functional areas of the gyms; an application that syncs with the station; and a wristband that tracks the exercise, in functional training and other activities.

Under the agreement, which started last week, Escape Fitness is selling FunXtion directly in the United Kingdom, the United States and Poland, where the company has its own offices. Other markets are to be covered by the distributors of Escape Fitness, which include some of the same partners as Life Fitness in European markets.

De Neef says distribution is starting with Motionskompaniet in Sweden and Gymline in Norway. Valcke Services is taking FunXtion on board in France and Red Wellness is offering the Dutch brand in Spain. Another immediate focus for distribution is Turkey, where the Escape

Fitness distributor is EKS.

Escape Fitness and FunXtion were already working together, since the Dutch company distributes Escape’s equipment in the Netherlands and Belgium. The two groups have come to another agreement for Germany, where the two of them will be jointly distributed by HDD. This Dutch company is the partner for Les Mills in the Benelux countries and it has an office selling other programs and indoor cycling products in Germany.

FunXtion is managed and equally owned by De Neef and Mendel Witzhausen, who established the company together. De Neef says the focus this year is on the start of international distribution and FunXtion will probably raise funds for further expansion next year.

The pilot version of the digital station was ready for FIBO last year. The full platform is on display this year at both the FunXtion and Escape Fitness stands.

Europe Active partners build European standards

Europe Active is forging ahead with the implementation of Europe-wide standards for the fitness sector, leading to rapid progress in Italy, Poland and several more countries this year.

The former European Health and Fitness Association is working together with an increasing number of stakeholders, to drive projects that support Europe-wide standards and growth in fitness participation.

"The European fitness sector is really ready for this," says Nathalie Smeeman, Europe Active's executive director. "Our approach is to support our partners in their discussions with the national authorities, to help them roll out

directly registered with EREPS.

The number of registered trainers with standards aligned to the European program adds up to 34,000 when including members of the British register, which is independent but equivalent – meaning that the standards of the European members are fully recognised in the U.K. and the other way around. Most other countries have their own registers and Europe Active is working out the most pragmatic ways to align them with EREPS – always in partnership with local stakeholders.

Among the priorities this year, Smeeman is intensifying efforts in Italy, on the back of a partnership started last year with ANIF, the industry's largest association in the country. It represents about 600 gyms, amounting to an estimated 10% of Italy's fitness centres.

Angelo Desidera, the delegate on the Europe Active board for ANIF's president, Giampaolo Duregon, says the Italian group is preparing to launch an EREPS register in July, targeting about 600 instructors by the end of 2016 and 1,800 in three years. ANIF is working on this project with several influential stakeholders in Italy, and it will be presented at Rimini Wellness.

"We already have a national register run by the federation and CONI, the Italian Olympic Committee, and two educational companies working on standards, but we would like to bring them under the flag of ANIF and build a European-level register," explains Desidera.

Another country where Smeeman is hoping to achieve rapid progress is Spain. Europe Active's efforts with various regional and national stakeholders are getting extra backing from its board member Gabriel Sáez, the president of Grupo Ingesport. He supported the launch of the VAS

Foundation, which set out ten goals for the growth of physical activity in Spain last year. It organised a forum that brought together about 300 participants in Madrid in November.

At the same time, Europe Active is focusing on promising markets such as Poland, Russia and Turkey, where the gym sector is starting to get organised.

Smeeman is particularly bullish about Poland, where Europe Active teamed up last year with the Polish Fitness Association of Employers (PZPF). "There's really a lot to win in Poland," she says. "The people there are asking for support and the climate is good, they really want to move on."

Strong impetus

Established two years ago and representing about 200 Polish gyms, PZPF launched its own program of European standards for Poland two weeks ago. "The next step is to approach all of the leading Polish fitness chains, to already have a big pool of trainers reaching the standards in one to two years," says Robert Kamiński, chief executive of PZPF.

As Kamiński explains, the adoption of these standards should help to stimulate participation in Poland, where the rate of fitness membership is estimated at less than 7% of the population. They could be particularly relevant for the more established players to reaffirm their added value, he adds, at the time when low-cost gyms are moving into the market.

PZPF's strategy is to work on Polish standards, which should

be more understandable for customers and more acceptable for the Polish government, as the Ministry of Sport started to work on its own standards for sports facilities this year. The idea is that the Polish standards should be very close to EREPS, so that qualified instructors would almost automatically attain the European standards.

The point is to make sure that compliant gyms are recognised across Europe as quality providers and potential partners in government efforts to support physical activity. This could help to implement measures such as tax or insurance rebates for gym membership, or even fitness on medical prescription.

To spread the word, Europe Active has decided to organise one-day local events to discuss ways to improve and use the quality of fitness professionals. "We have the administration and the standards and the books, but we need help from local people to organise this," says Smeeman. The first EREPS summit will be held at Rimini Wellness.

Smeeman herself has given strong impetus to Europe Active's efforts and recognition for the sector in Brussels. Its relationship with the European Commission has turned it into an important stakeholder in the European Week of Sport (EWOS), which was held for the first time last year and will be repeated in the week of September 10.

The event last year saw the launch of ALCIS, a program driven by Europe Active to stimulate healthy behaviour among schoolchildren. It was run in five countries and about 80% of the participants said they had increased their physical activity level after the program.

An application for EU co-funding was submitted in January to run the second edition in nine countries during the EWOS this year, and Europe Active is expecting a decision in the next few weeks. "We'll have plenty of clubs leaping at the chance to bring fitness into schools in their local community," says Desidera.



Europe Active's Nathalie Smeeman

the systems and the standards, so when the governments and local communities are on board, the systems are in place."

Among Europe Active's most important tools in this respect is the European Register of Exercise Professionals (EREPS) for qualified instructors, trainers and teachers in the health, fitness and physical activity sector. While supporting their mobility, the European register is also meant to instil confidence among potential partners such as the medical profession across Europe.

European register

Europe Active indicates that there are about 4,000 trainers on the European register, with a target to reach 6,000 at the end of this year. Most of the current members are on national registers in the Netherlands, Ireland, Hungary and Lithuania, which are fully integrated with EREPS. Others are issued from countries without national registers and

Quick Read

- Strategy to build European market with local partners.
- Target for 6,000 trainers on European register at year-end.
- Italian and Polish federations moving ahead.
- Second European Week of Sport scheduled, ALCIS co-funding pending.
- EREPS summit in Rimini.

IHRSA gets European chairman

Rasmus Ingerslev is to become the first European chairman of the International Health, Racquet and Sportsclub Association (IHRSA) for two years from the start of July. The executive vice chairman of Wexer Virtual was elected during IHRSA's annual convention in Orlando two weeks ago.

As the U.S.-based organization writes, Ingerslev developed and sold two of Denmark's largest fitness chains, Fitness DK and Fresh Fitness. He is the founder of Wexer Virtual, which supplies video-based group exercise and cycling classes to health club groups. Ingerslev has also long been involved in the wider fitness community, as a co-founder of the Danish Fitness & Health Organization (DFHO) and he was already a board member at IHRSA.

IHRSA says that the appointment underlines the international scope of the association, which has members from more than 70 countries. Visitors flocked to Orlando for its trade event from 80 countries. Yet never before had IHRSA picked a chairman who was not from North America.

Ingerslev describes himself as "a European insider looking out rather than a European outsider looking in." He points to his operational track record in Denmark, his work with the local federation and IHRSA's European Council, and his vast network among European peers. "This gives me a detailed insight to many of the opportunities and challenges European operators face," he says. "Hopefully,

we can convert this insight into even more value for our European members and partners. I say 'even more' because I believe IHRSA has done a great job in Europe historically and on a personal level, I have benefitted greatly from being a European IHRSA member."

Earlier this year IHRSA decided to set up a European operation in Brussels run by an as-



Rasmus Ingerslev in Orlando.

Photo: IHRSA

sociation management firm, under the leadership of Jeroen van Liempd. The association was previously represented in Europe by Hans Muench, who has taken on several assignments as an adviser and a lecturer.

Ingerslev will take over from Molly Kemmer, regional director for Exos/Medifit, who will remain on the board as ex-officio for another year.

but again the figure is distorted by exchange rates and the underlying trend was far less favourable.

The study pointed to unabated consolidation among gym operators as well as equipment makers. Nineteen mergers and acquisitions were finalized among the operators last year, and the trend continued among equipment makers early this year. The initial public offering of The Gym Group in October underlined the increased appetite of investors for the fitness sector.

Europe Active says the growth achieved last year brings the organization closer to its target to get 80 million members in European health and fitness centers by 2025. It was formulated at the inaugural EHFF last year.

Quite a few social and economic factors should drive continued growth for the sector in the coming years, says Rutgers, from concerns about obesity levels to the ageing population in many European countries and the growth of the middle class.

"Policy makers, government and health insurers in various countries see the importance of a more active lifestyle and the fitness sector can play an important role in the development toward a healthier society," says Rutgers.

Event Briefs

■ Functional training, digital fitness and "athleisure" were among the megatrends at **IHRSA 2016**, a vibrant affair that was unusually held in Orlando for four days from March 21. While attendance figures are not yet available, the association says Florida brought "new names and faces" to the convention and trade show, and the convention center provided a "huge trade show floor and nicely laid out event." Randi Zuckerberg and three other keynote speakers created extra buzz at the show. The event is returning to the west coast at least for the next two years, to take place in Los Angeles in 2017 and in San Diego in 2018.

■ Fast-growing enthusiasm for fitness in France has led to a rise of 43% to more than 60,000 visitors at the **Body Fitness** fair, which was held in Paris for three days from March 18. The bustling event brought together more than 100 exhibitors and 200 brands. While some of the equipment stands were busy, visitors appeared particularly eager to try out new gear and take part in programs, such as the classes organised by Les Mills and Reebok. Some of them boasted more than 400 participants. The next edition of Body Fitness has been scheduled for March 17-19, 2017.

■ Ray Algar, Lesley Aitken, Hans Muench and Leon Rudge have been announced as the four speakers for the **Sports Meeting Point** conference, which will be held for the first time on May 13 as part the Gym Factory fair for the Iberian fitness industry in Madrid. Algar, a well-known British fitness industry consultant, will discuss boutique studios. Muench, former director of Europe for IHRSA, will analyse trends in the global fitness industry. Technology Solutions Manager for Life Fitness in Europe, the Middle East and Africa, Rudge is to assess the benefits of technology in the fitness industry, while Aitken will focus on salesmanship.

■ Sid Jatia, VP Digital Direct to Consumer at Under Armour, and James Balfour, co-founder of 1Rebel, are among the speakers most relevant to the fitness industry at the two-day **Millennial 20/20** Summit to be held in London. The event is described as a gathering of more than 3,000 start-ups, brands, retailers and other companies. It includes four conference stages, four industry sector tracks, 150 speakers and 40 exhibitors. Millennial 20/20 is to be held at Victoria House in Bloomsbury from April 13.

...continued from page 1

Other structural trends are the increased activity in franchising and the growth in personal or small group training, taking place in clubs as well as in personal training studios.

Predictably, the research found that technological trends such as wearables are increasingly impacting the market, and clubs are increasingly engaging with customers on an interactive basis, both during and after the training.

"The overriding theme with regard to trends is increased personalization, listening to what the customers want and helping them to achieve their goals," said Herman Rutgers, board member at Europe Active and co-author of the report.

Another trend in the European market is that growing numbers of companies are taking up employee fitness programs, at the own facilities or through contracts with fitness clubs for their employees. The deals may be sealed with the clubs directly or through fast-growing intermediaries (read the related feature on the rise of European aggregators in this issue).

The turnover of leading equipment manufacturers picked by Europe Active and Deloitte jumped by 14.7% in euros last year,

Fitness First studies break-up and sale

Fitness First has been drawing heightened interest from investors in the last two weeks after it became clear that the gym chain's owners are studying ways to capitalise on its recovery. The group has more than 300 fitness centres across the U.K. and Germany as well as Australia and Asia.

Fitness First came close to collapse with about £600 million in debt four years ago, which led to the group's takeover by Oaktree Capital Management and Marathon Asset Management through a debt for equity swap. Since then the company has gone through a radical clean-up as well as a hefty investment program to upgrade gyms and open more in Asian countries.

The ensuing improvements have given rise to speculation that Oaktree may attempt to divest its stake – all the more

so after Oren Peleg, managing director at Oaktree, was appointed as chief executive at Fitness First in June. Peleg confirmed in an interview with *The Sunday Telegraph* last month that the transformation of the business has been drawing interest and that “it has been approached by a number of parties.”

The British newspaper reported that the owners have assembled a team of advisers to examine options for Fitness First. Oaktree Capital has reportedly hired Harris Williams, an independent American investment bank, to examine the prospects of the Fitness First clubs in the U.K. while HSBC is meant to assess the company's operations in Germany, Australia, India and other Asian countries.

The group currently has 73 gyms in the U.K. and 84 in Germany, along with 67 clubs in Australia, eight in India and 87 in

other Asian countries. The entire group's sales reportedly reached about £509.3 million in 2014 and its adjusted operating profit shrank by 49% to £14.9 million for the year, but earnings started to improve again in the U.K.

The *Australian Financial Review* suggested a few days earlier that the advisers may be studying a split to separately sell Australian and Asian assets. It pointed out that the two units were not at the same stage of development and that a joint sale may reduce interest from investment firms that are instructed to target Asian assets.

Peleg insisted in his talk with the *Telegraph* that no decision had yet been taken and that the owners may end up deciding against a sale. No further comment was available from Fitness First or Oaktree Capital.

Fitness DK envisages gym closures

Fitness DK, the Danish gym chain, could shutter several underperforming clubs after the tough competition in the Danish market led to a decline in its average membership price and increased investments caused a small loss.

However, the company denied abundant reports in Danish newspapers that the chain's owners wanted to divest the fitness group.

Fitness DK's turnover dipped by 0.6% to 428.5 million Danish kroner (€ 57.4 m) last year, despite an increase of 2,000 members to an average of 127,000 for the 45 fitness centers around the country.

Fitness DK is the second-largest chain in terms of turnover, albeit far behind Fitness World, which sits on more than half of the Danish market. It had 150 fitness centers and about 450,000 members in 2014, after it bought the Danish arm of Fresh Fitness.

Kasper Lund Kirkegaard, specialist in the Danish fitness market at Danmarks Idrætsforbund, says that the chain appears stuck between two concepts. “They have lost ground to fitness centers that have a sharper positioning, individual training and small group concepts,” he says. “Fitness DK wants to go for the mainstream, where Fitness World has a similar concept, only cheaper.”

Marianne Frandsen, marketing manager at Fitness DK, acknowledges that standard monthly membership of DKK 379 at Fitness DK is about 50% above the price at Fitness World. But she says that the chain

focuses on “quality in the facilities and locations, instructors and machines” as well as chill areas and extra services such as saunas and steam rooms.

While Fitness DK was previously the second-largest player in the number of gyms, it was dislodged from this spot last year by Loop Fitness, a franchise chain of smaller gyms focusing on circuit training, which currently has more than 50 clubs.

Parken, the company that owns Fitness DK, writes that Fitness DK “did not perform satisfactorily amid tough competition in the market” last year. The chain's operating profit before amortisation and special items amounted to a loss of DKK 27.8 million (€3.7 m), compared with profit of DKK 2.9 million in 2014. The company attributed this to a rise in rental costs, the opening of an extra fitness center and spending on upgrades in other clubs.

Parken predicts that intense competition will continue this year, with more consolidation among the smaller players. It wants to continue focusing on the

quality of its facilities and services, and expects that market conditions will improve in the coming, leading to increasing prices. The company said it had already scheduled five openings this year and another early next year.

The chain underwent a change in leadership in October, when Jakob Hansen became its chief executive, after five years as chief financial officer. Thomas Bagge Olesen, who had been in charge for the two previous years, became a partner at an executive search firm.



Personal training at Fitness DK.

Photo: Fitness DK

The latest estimates from the National Olympic Committee of Denmark and the Danish Institute for Sport Studies put the number of commercial clubs in Denmark at 653 last year, up from 610 in 2014. The 43 net increase resulted from 60 openings and 17 closures.

...continued from page 1

Jamie Ward, the company's chief executive, says the flexible concept is most suitable to catch consumers who have grown up with the internet and are used to quick decision-making. The group's surveys suggest that most of the users would not have gone to the gym without this option.

Ward predicts that aggregators will become important market players in the European fitness market. But he emphasizes that they should aim to enlarge the market and create value for the fitness centres, instead of gnawing at their revenues. "I think many haven't got the formula right," he says.

PayasUgym has worked out partnerships in which the fitness centres earn a smaller share of the revenues if the users are new, and more if they return, but Ward emphasizes that there are other important factors in the formula. "It has a lot to do with information flow and how the gyms are allowed to control access," he says.

Right formula

Ward estimates the PayasUgym could add about 10% to the British market. While the firm is financing its British expansion from cash flow, it could organise another round of fundraising to move into other European markets next year.

Along the same lines, Gymlib sells virtual passes to be used at 1,200 gyms around France. The passes are meant to be valid for one to three months but may be

reimbursed at any time if they aren't used.

About 50,000 people have purchased passes and Gymlib is running a marketing campaign to recruit more active users.

Sébastien Bequart, one of Gymlib's three founders, says the concept strongly distinguishes itself from others such as ClassPass or Somuchmore due to the flexible approach and the group's partnership with many generalist gyms, such as Neones and Fitness Park. CMG Sports Club, the leading chain in Paris, is to become part of the network this week.

Unlimited access

"We have a clear lead in France when it comes to the number of gyms," says Bequart. "That gives us a head start on Gympass but their arrival reinforces our belief in the prospects of the market." The French company is preparing to raise funds this summer to support its launch in other markets.

Gymlib's strategy of building a stronghold in its own country contrasts with the approach taken by Somuchmore. Started at the beginning of last year, the Berlin-based company has opted to rapidly build up its network of about 1,700 gyms in four German cities and then London, Paris and Madrid.

"The terms have been negotiated to the benefit of the gyms, because we wanted to rapidly build up our network of partners," says Camille Oldfield, customer relations manager at Somuchmore. The company is supported by Rocket Internet, an incubator for many other fast growth companies in Berlin.

Somuchmore sells monthly subscriptions for four classes or unlimited access, although the users may not work out in the same gym more than three times. It currently boasts 6,500 users across the four countries. Oldfield says that the occasional users enable the gyms to take better advantage of their assets by filling otherwise empty slots.

The reference for some of the start-ups that are taking this approach is ClassPass, which has turned into a phenomenon in the U.S. market. The rise

of boutique studios in London made it all the more compelling for ClassPass to start its European foray last year with the British capital.

Jaimie Voss, who handles senior partnerships and business development at Class Pass in London, says that it has already become the third most active market for the company after New York and Los Angeles. The London passes allow users to register for classes in about 400 boutique studios, although they may not train at the same gym

Europe in the last months is Gympass, the Brazilian group. While it has its own offices in France, Germany and the Netherlands, Gympass moved even faster through an acquisition in Spain.

Maciel says that Gympass intends to focus on the market for corporate users, by signing up multinationals that want to help their employees stay fit. The concept calls for the gyms to earn a larger share of the revenues if the users return to their facility.



Photo: Ride Republic

more than three times.

The split of revenues applied by ClassPass has been an item of discussion in the last weeks as several gyms decided to pull out. "We take great pride in offering you outstanding instructors, facilities, and customer service," read a letter from Ride Republic last month. "However this comes at a cost and unfortunately ClassPass has taken the decision to reduce prices paid to studios to a level that is not sustainable for our business."

Employee benefits

Voss says that nearly all of the gyms appear to be satisfied with the arrangements since the renewal rate is outstanding. She says that about 70% of the Class Pass users were not previously working out in studios. The company is considering several forms of expansion in Europe, which could involve passes for generalist gyms or moves into other European countries.

But the international entrant that has been most talked across

This market has been strongly developed in Poland by Benefit Systems, the listed company that launched its Multisport card in 2004. Targeting companies that want to provide extra health benefits for their employees, Benefit Systems said in March that the number of Multisport cards increased to no less than 613,000 units last year.

The Polish company has been investing in fitness clubs, which it describes as a way to develop its offer fitness facilities. It branched out into the Czech Republic about five years ago and more recently started exploring Slovakia and Bulgaria.

Maciel says Gympass started in some of the European markets where there is awareness of the benefits of healthy employees. The Brazilian group is already studying the next markets, which are likely to be Italy and Portugal. A Europe-wide network of gyms would be an extra benefit for pass holders from multinational companies, who could use Gympass on their business travels.

Quick Read

- European start-ups compete with established foreign entrants.
- Estimates of potential adding 5% to 10% to the European market.
- Diverging approaches for selection of gyms, access and split of revenues.
- PayasUgym, Gymlib, Somuchmore, Gympass all eyeing more markets.
- Gympass and Benefit Systems focusing on employee benefits.

European chief sets five-year target to double Reebok's regional sales

Reebok is building up much increased retail exposure in Europe, with scores of branded “fitness hubs” opening in sporting goods stores across the largest markets in the next three months.

The added shelf space comes after Reebok assembled a European team last year to harmonise its approach around the region. This year the brand is starting to deploy its European sales and marketing strategy, which calls for Reebok's regional sales to double in five years.

The target would add up to a turnover of nearly €700 million for Reebok in Western Europe in 2020. This compares with €347 million in 2015, which turned Europe into the second-largest market for Reebok after the United States. Europe has also become the fastest-growing regional market for Reebok, with a sales increase of 12% last year.

The strategy is led by Chris Froio, who moved to Germany in January last year to become Reebok's brand director for Western Europe – a somewhat misleading description that covers most countries in the European Union. He wants to roughly double the number of branded retail spaces where Reebok has its own fixtures and fittings by the end of this year, to reach about 400 around Europe.

“We have a dynamic offer-

ing and attitude around fitness, which makes fitness more exciting,” says Froio. “When we get into quality retailers and showcase the brand, with the right fixtures and fittings and imagery, we're performing as well as any brand in the market.”

Froio says that the extra space in April comprises about 50 Reebok fitness hubs covering 50 to 70 square meters at Intersport stores in some of the largest European cities. JD Sport, the British sports fashion retailer, is set to open Reebok “fight hubs” in June, while Sports Direct is taking up Reebok branded space in about 30 stores.

Along with these key European accounts, Reebok has obtained branded retail space at prominent stores such as Sporthaus Schuster in Germany or Galeries Lafayette in France. The plans call for the number of smaller retail spaces to double and reach about 500 toward the middle of 2017.

One Europe

The European brand director reckons that the sudden rise in retail demand has been spurred by Reebok's investments as well as market changes, as retailers “are starting to wake up” to the potential of the fitness category. He is signing up for several years of currency-neutral sales expansion in the mid to high teens range in Europe, as the strategy begins to fully pay off.

When Froio moved to Germany, Reebok had already reinvented itself as a fitness brand, leaning on partners from CrossFit to Les Mills, Spartan Race and the UFC. But the implementation was still somewhat haphazard in Europe, because the market consisted of 30 countries bundled into seven entities, each of them picking its own range and marketing strategy. The message was blurred, the marketing spending inefficient and the approach out of sync with market developments.

“When you think about the harmonisation of Europe, between e-commerce, social

and digital consumption and pan-European retail, the marketplace doesn't need to look seven different ways,” said Froio. “We wanted to make sure that we harmonised our products, our marketing strategies, the way we spend our money

and regional sales launches across Europe, the Berlin get-together was entirely prepared by the European team. “It frees up our markets to focus on continuing to sell in and execute against the season while we're spending three months preparing,” Froio



Reebok's marketing meeting at The Station, Berlin.

Photo: Reebok

and execute against our partnerships.”

Froio estimates that about 70% of the Reebok ranges sold in European countries consisted of local assortments, with less than 30% coming from the global range. That has been changed entirely, with mandatory ranges accounting for at least 60% of the offering across Europe this year.

The central team is now providing guidelines on mandatory spending for the largest categories and imposing a share of spending on the brand. Much of that focuses on the Be More Human campaign, launched in February last year.

Group leverage

Froio saw the strategy come together in October, when about 1,500 of the group's European managers and customers turned up at The Station, a huge and trendy meeting space in a former postal railway station in Berlin. “It was phenomenal,” said Froio, describing the enthusiastic response of the retailers.

Another advantage is that such events have become more efficient. While the company previously organised seven

explained.

The changes have been strongly supported by infrastructure from the Adidas Group, which acquired Reebok about ten years ago. It implemented a similar strategy for the Adidas brand two years ago, and provided leverage to the Reebok brand with key retailers.

The Reebok brand is already strongly aligned with the central approach in the Nordic countries and central Europe, from Germany to Poland and the Czech Republic. Another country where the brand has remained strong over the years is France, said to be the second-largest market for Reebok in Europe after Germany. Froio acknowledges there's more to do in southern Europe, where Reebok has long been a more commercial proposition.

Women are an important part of the strategy. About 35% of Reebok's global sales are derived from women's products and the target is to raise that share to 50% by 2020 at the latest. But in Europe, the share already stands at 42% of sales and Froio says the goal of equal sales could be achieved by 2018.

While Reebok is making it a

Quick Read

- Reebok harmonises European sales and marketing operations.
- Target to double European sales to nearly €700 million in 2020.
- Scores of controlled retail areas opening at European key accounts.
- Reebok targeting equal sales of women and men's products in Europe.
- European marketing manager to start in May.

priority to obtain more shelf space from wholesale customers, the company intends to invest more in its own retail stores next year. The brand is running a pilot test for Reebok stores in London, where it has eight outlets. The plan is to replicate the most efficient stores with flagships in four other key European cities next year, from Paris to Milan, Barcelona and Berlin.

Franchises are another strategy for expansion in some European markets. The number is to be raised from four to nine in France by 2018. The franchise concept that is working well in Poland is to be expanded to the Czech Republic, and the brand has started studying openings in Italy and Greece.

Froio supervises a Reebok team of about 35 people in Germany and another 15 spread around Europe. About 200 more

employees are entirely dedicated to the fitness brand in Europe, with many other people from the Adidas offices providing back office support.

The only position that has yet to be filled is that of the European marketing director. The job

has been held on a part-time basis since last year by Sandrine Retailleau, who is working on special projects for Reebok France, but a full-time European marketing director has been appointed to start in May.



Reebok at the Rue du Louvre in Paris.

Reebok gets fitter in Europe

Working out during breaks is part of the job for many employees in Reebok's European team. But somewhat incongruously, their company gym has been installed in the former living room of Adi Dassler, the German cobbler who gave his name to the Adidas brand.

The Adidas Group, which acquired Reebok about ten years ago, still has its head office in the small German town of Herzogenaurach. Most of the Adidas employees have moved to a sprawling campus on the outskirts of the town, a former military base with many sports facilities and buildings bearing names such as Stripes and Laces.

But the Reebok team formed last year has set up camp in a former Adidas head office, near the centre of the small Franconian town. It's adjacent to a cosy villa where Adi and Käthe Dassler liked to treat international guests to coffee and cake.

The proximity of fitness facilities has been an important part of the Reebok brand's approach since it decided to focus entirely on fitness. Froio himself started at Reebok as an intern about 24

years ago and he took an active part in the transformation of the brand's head office in Canton, near Boston.

Froio was part of the 321 Go group, which got a huge CrossFit gym built at the Reebok campus. The group then obtained a budget for instructors and convinced senior managers to let their staff work out. They campaigned to make the building smoke-free and to provide staff with education on nutrition instead of candies at the canteen. Along the way, Froio became a certified fitness instructor and climbed the ranks at Reebok. He was the brand's vice president for fitness and training for three years until his move to Germany last year.

Reebok literally removed soda vending machines from its head office in Canton last month. The company said it was going soda-free as part of wider efforts to cut out products with add-

ed sugar. The group boasts that more than 85% of its employees in Canton take part in physical activity on a daily basis at the campus.

Froio has been spreading the same mentality at the Reebok office in Herzogenaurach. "The idea is that if you're going to be a fitness brand, you're going to live it," he says. "If you go to Canton, you'll see that people are



Chris Froio

Photo: Reebok

fit. It looks like a fitness company. We're trying to do the same thing here." The real test will come when he approaches the chef about the traditional Currywurst on the Friday menu.

News briefs

■ **Lululemon** achieved an increase of 15% in sales to \$2,060.5 million for the year until the end of January, with a comparable sales rise of 10% in constant currencies. The Canadian yoga-inspired apparel brand said that its comparable store sales were up by 4% for the year. The company's income from operations slipped by 2% to \$369.1 million but it ended the fiscal year with net income of \$266 million, which was an increase of 11%. Lululemon expects its net sales to be in the range of \$2,285 million to \$2,335 million for this fiscal year, based on a comparable sales rise in the mid-single digits in constant currencies.

■ The running and women's categories supported a sales increase of 7.7% to \$8,032 million for the **Nike** group in the quarter until the end of February, which is the third in its fiscal year. The Nike brand's sales moved up by just 2% in Western Europe to \$1,442 million, but they were up by 12% in constant currencies. The group's profit jumped by 20% for the quarter to \$950 million. Nike predicts that its reported turnover will increase at a mid-single digit rate for its full fiscal year. Demand remains robust, as the group reported a 12% rise in futures orders, up by 17% in constant currencies.

■ **Beyoncé** joined several other singers and artists in announcing the launch of her own fitness apparel range, Ivy Park. The activewear range is a joint venture with Topshop, the British retailer. It includes about 200 items, such as leggings, tee-shirts and crop tops. Beyoncé spread the word through her Instagram account. Fitting into the "ath-leisure" trend, the range is to hit the shelves at Topshop and some department stores later this month. Puma earlier teamed up with Rihanna to woo fitness enthusiasts and other female consumers.

FITNESS NEWS

Business News and Analysis

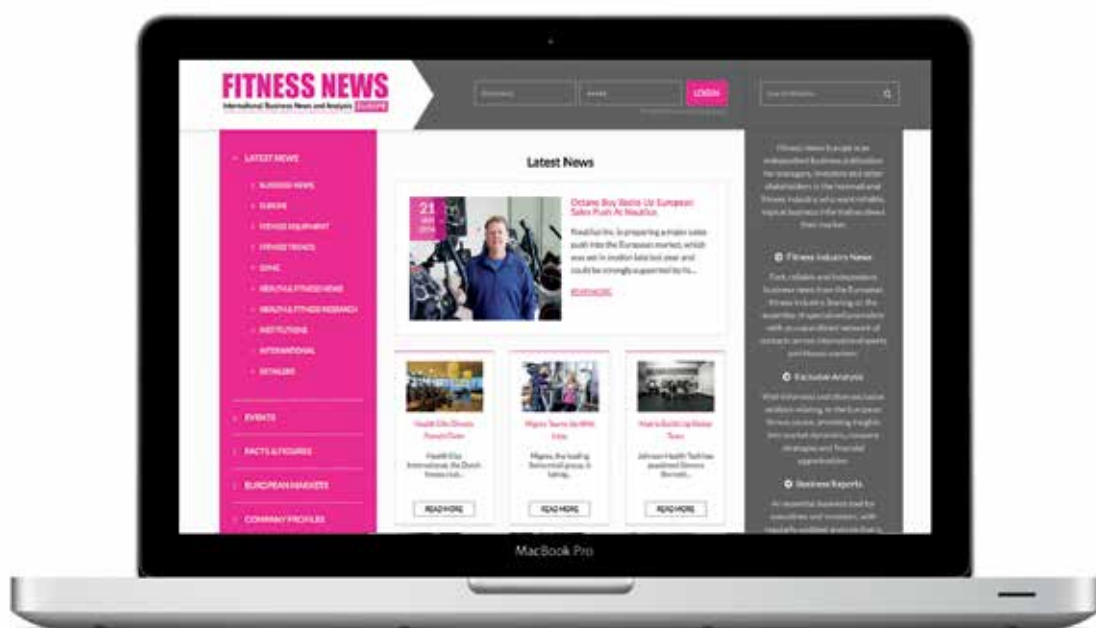
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