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In particular, the 196 IHRSA club company members who contributed their time and effort in order to complete the 2005 Industry Data Survey.

METHODOLOGY |

The 24th annual Profiles of Success report is the result of a joint effort between the International Health, Racquet & Sportsclub Association (IHRSA) and Industry Insights, Inc. This study is based upon a detailed eight-page survey of IHRSA member clubs in the United States and Canada.

Unless otherwise noted, data reflects the median value for each individual set of responses to a question. The median represents the mid-point for a given data set, with one-half of the responses above it and one-half below. Unlike the mean, arithmetical average, the median will not be skewed or distorted by a small number of unusually high or low values that may exist in the sample due to unique circumstances. Each median and mean was independently calculated or identified for each individual set or subset of responses to a given question. As a result, component figures on an item may not necessarily total 100 percent and normal mathematical relationships may not always exist.

A useful feature to the 2005 edition of Profiles of Success is the presentation of a “Middle Range” for data on particular variables. The “Middle Range” consists of the middle 50% of the reported values that did not fall within the lower quartile, the value for the firm that is one quarter from the lowest value, and the upper quartile, the value for the firm that is one-quarter from the highest value.

The data and findings contained within Profiles of Success do not represent an absolute standard for an individual

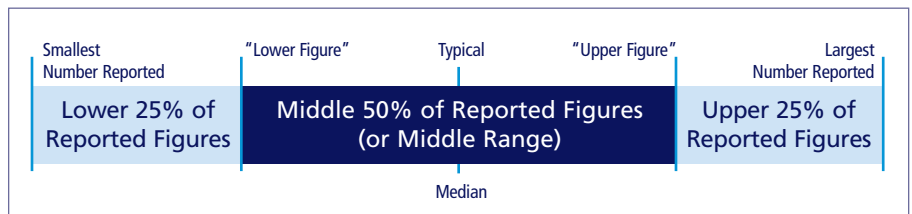
company’s performance. Instead, the report is intended to provide a perspective on how a commercial health or sports club might behave as a business. The North American health club industry remains very entrepreneurial and, while an individual business that deviates dramatically from particular benchmarks might wish to investigate the possible cause for such a variance in its performance, local market conditions or a club’s unique business model might logically account for such differences.

In order to facilitate the consistent comparison of financial data, questions were adapted to conform to the recently published Uniform System of Accounts for the Health, Racquet and Sportsclub Industry.

Data attributed to American Sports Data was published in the IHRSA/ American Sports Data Health Club Trend Report, which is sponsored by IHRSA. This data is derived from a survey of over 15,000 U.S. households, and represents demographic findings for Americans over the age of six.

ABOUT INDUSTRY INSIGHTS, INC.

Based in Columbus, OH, Industry Insights has been in business since 1980 and specializes in conducting industry performance research for industry trade associations and professional organizations. For the purposes of this study, Industry Insights consulted on survey development, and managed returned surveys, data entry, data cleaning, and data processing.



INDUSTRY DATA SURVEY | Sample Characteristics

SAMPLE CHARACTERISTICS AND DEFINITION OF CLUB TYPES

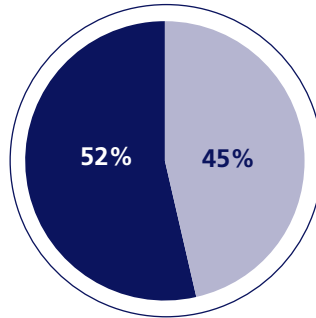
A total of 196 IHRSA member companies representing 1,000 clubs completed the comprehensive Industry Data Survey (IDS) on which this report is based. They came from the following categories:

Multipurpose (52% of respondents): These clubs have fitness facilities—either an aerobics/dance exercise studio, and/or fitness center—and racquet sport courts. They may, or may not, have additional facilities, such as a gymnasium, swimming pool, etc.

Fitness-only (45% of respondents): These clubs have fitness facilities—either an aerobics/dance exercise studio, and/or fitness center—but they do not have racquet sport courts. They may, or may not, have additional facilities such as a gymnasium, swimming pool, etc.

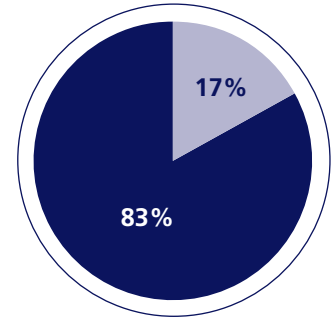
Multiple Operations (17% of respondents): These clubs may be multipurpose, fitness-only, or tennis-only clubs, but they share a common ownership or management with at least one other club.

Club Type



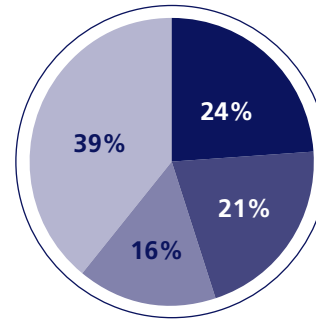
- Multipurpose Clubs
- Fitness-only Clubs

Company Type



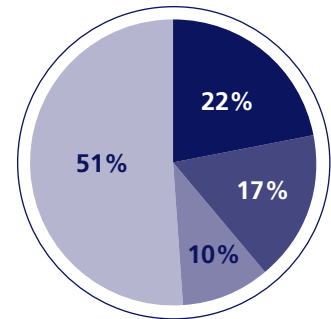
- Individual Facility
- Multi-club Operation

Club Size



- Less than 20,000 sq. ft.
- 20,000 to 34,999 sq. ft.
- 35,000 to 59,999 sq. ft.
- 60,000 sq. ft. or more

Age of Operation



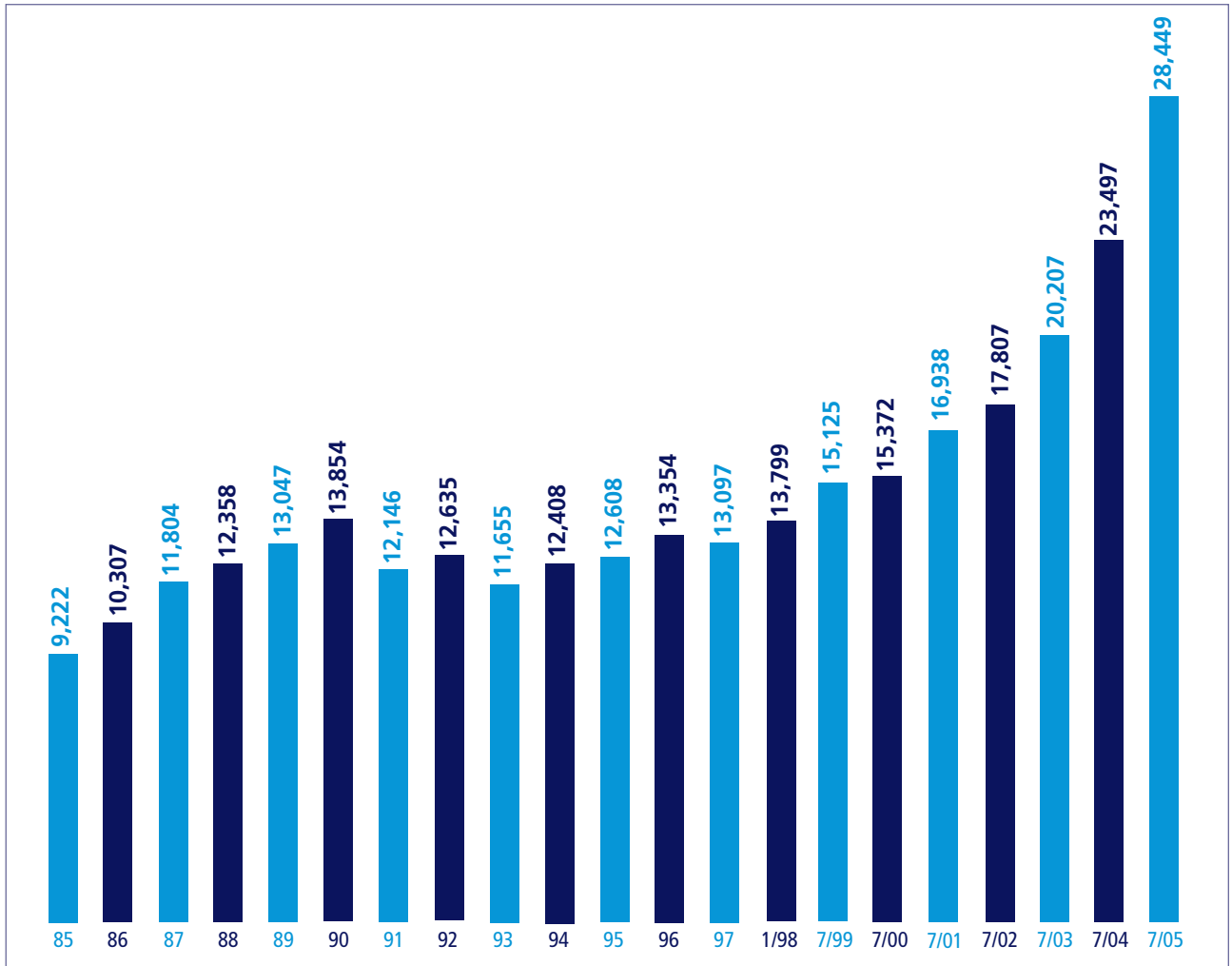
- 5 or fewer years
- 6-10 years
- 11-15 years
- 15+ years

Multi-club Company Growth (Average number of clubs per company)

Year	No. of Clubs
1985	2
1990	2
1995	2
2000	3
2004	4

INDUSTRY AT A GLANCE |

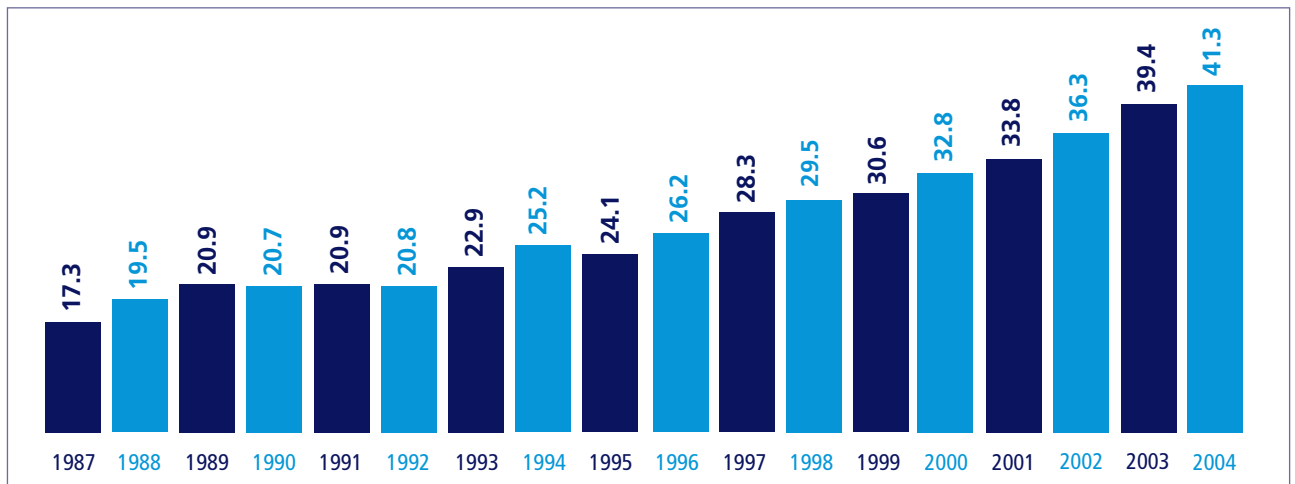
Number of U.S. Health, Racquet, & Sports Clubs



Source: American Business Information, Inc.

Figures reflect the number of businesses listed in Yellow Page directories under industry SIC code 7991.

U.S. Club Membership Number 1987 - 2004 (millions)



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, YMCAs, college & university centers, and commercial clubs.