



## **Pure Gym and The Gym Group Terminate Merger Plan After Regulator Refers Transaction for In-Depth Investigation**

### **Companies to Pursue Standalone Growth Opportunities**

16 July 2014, London – Pure Gym and The Gym Group, the pioneers of affordable high-quality fitness clubs, today jointly announced the termination of their planned merger following a decision by the UK Competition and Markets Authority (CMA) to refer the transaction to a second stage in-depth investigation.

In June, the CMA completed a detailed first phase inquiry into the merger, and initiated an in-depth phase II investigation that was unlikely to be completed until early 2015.

The two companies agreed to halt merger talks after concluding that a protracted phase II investigation would have a detrimental effect on both businesses.

Peter Roberts Chief Executive of Pure Gym, said: “We remain convinced of the merits of our proposed transaction, which would have made affordable gyms more widely available across the UK. But regulatory delays have created uncertainty that is detrimental for customers, employees and management. We have therefore decided to remain independent companies, pursuing separate, vigorous growth strategies.”

John Treharne Chief Executive of The Gym Group, added: “As standalone gym-operators, we will continue to provide outstanding value to members, great facilities and excellent career opportunities for staff. Although our merger promised to build on those strong foundations, we have taken the prudent decision to terminate discussions given the lack of clarity on a timetable to completion.”

The two companies will continue to operate under their current ownership structures. Pure Gym is owned by CCMP Capital Advisors, LLC. The Gym Group is jointly controlled by Phoenix Equity Partners and Bridges Ventures.

In a joint statement, Tom Walker, UK Managing Director of CCMP Capital Advisors (UK) II Limited, and David Burns, Managing Partner at Phoenix Equity Partners, said: “There are more than 6,000 gyms operating in the UK offering a variety of services, at a range of prices, to more than 7 million members. We are surprised that the CMA has concluded that a combination of two young businesses with a combined total of 110 gyms nationwide created a risk of a substantial lessening of competition.”

“These two gym groups created the model that enable significant numbers of first-time users to access 24-hour, no contract health and fitness clubs at affordable prices. Looking to the future, both companies will now focus on the great opportunities that lie ahead. They look forward to continuing to offer an excellent experience to their respective members.”

Since the merger was first announced in February 2014, Pure Gym and The Gym Group have operated separately. The decision to terminate the merger will have no impact on member services, facility operations or the terms and conditions for respective employees.

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## ABOUT Pure Gym

Pure Gym launched in 2009 and operates 68, 24-hour gyms across the UK with one site in Northern Ireland. Its members pay monthly, with no contract commitment. Gyms typically comprise cardio and strength training equipment and also offer up to 80 group exercise classes each week. In May 2013 funds affiliated with CCMP Capital Advisors, LLC bought a majority stake in the business.

Further information: [www.puregym.com](http://www.puregym.com)

## ABOUT The Gym Group

The Gym Group was founded in 2007 and operates 42 gyms across Great Britain. In common with Pure Gym, The Gym Group operates a low-cost business model, with contract-free membership based around cardio and strength training equipment and group classes. In 2013 Phoenix Equity Partners acquired a majority stake in the business, which was founded and funded since its launch by Bridges Ventures.

Further information: [www.thegymgroup.com](http://www.thegymgroup.com)

## ABOUT CCMP Capital Advisors, LLC

CCMP Capital Advisors, LLC (“CCMP”) specializes in middle market buyouts and growth equity investments of \$100 million to \$500 million in North America and Europe. CCMP focuses on generating alpha through the operational transformation of its portfolio companies. With offices in New York, Houston and London, CCMP invests in four primary industries: Consumer/Retail, Industrial, Energy and Healthcare. Selected investments under management include: ARAMARK Corporation, Chaparral Energy, Infogroup, Jetro Holdings, LHP Hospital Group, Medpace, Milacron, Newark Energy, and Ollie’s Bargain Outlet.

Further information: [www.ccmpcapital.com](http://www.ccmpcapital.com)

## ABOUT Phoenix Equity Partners

Phoenix Equity Partners is an independent private equity fund management business. Phoenix is owned by its executive team. Phoenix’s investment focus is on mid-market UK private businesses valued at up to £200 million. Recent Phoenix transactions include investments in Key Retirement Solutions, Global Navigation Solutions and Porthaven as well as the sale of ASCO. It took a majority shareholding in The Gym Group in June 2013.

Further information: [www.phoenix-equity.com](http://www.phoenix-equity.com)

## ABOUT Bridges Ventures

Bridges Ventures LLP (“Bridges Ventures”) is a specialist fund manager dedicated to using an impact-driven investment approach to create superior returns for both investors and society at large. Bridges Ventures has raised seven funds to date which total £340m: Sustainable Growth Funds I, II and III, the Bridges Sustainable Property Fund, the CarePlaces Fund, the Bridges Social Entrepreneurs Fund and the Bridges Social Impact Bond Fund.

Further information: [www.bridgesventures.com](http://www.bridgesventures.com)