

Supplier and Service of Fitness Equipment - 10 Locations Serving Commercial and Retail Customer

The Company offers the best fitness equipment from the best brands in the industry, such as Precor, Diamondback, Horizon, Sports Art, Inspire, Tuff Stuff and others. The Company's markets include commercial (50% of annual sales) and retail (30% of annual sales) customers. The types of retail equipment offered include ellipticals, treadmills, exercise bikes, home gyms, free weights, accessories. Commercial equipment includes treadmills, ellipticals, exercise bikes, climbers, plate loaded equipment, selectorized equipment, free weights, accessories and stretching equipment.

The remaining revenue mix is composed of service contracts (15% of annual sales) and delivery charges (5% of annual sales). With a diversified customer base (3,143 retail, 841 commercial, and 2,979 service customers in 2009), no single account represents a significant portion of annual sales in any given year. The average invoice in FY 2009 was \$1,400 for retail, \$8,300 for commercial, and \$715 for service customers.

The Company is a "one-stop" source for exercise equipment for the home. The staff and service technicians are truly exercise equipment experts who can effectively discuss fitness needs with customers and help them make the best decision for their equipment purchase.

Through an experienced management team and employee base of 30 full-time and 5-10 part-time, the Company is uniquely positioned for impressive growth. The shareholders have created a culture and environment that is forward thinking and the Company has the ability to ascend beyond its current state with a new owner.

Value and Marketability Enhancers

- ★ No long-term debt
- ★ Favorable current ratio
- ★ Long operating history
- ★ Exclusive supplier agreements
- ★ Experienced sales team
- ★ Broad product line
- ★ Offers leading brands
- ★ Outstanding service department
- ★ Multiple retail locations
- ★ Diversified customer base
- ★ Management will remain through transition
- ★ Favorable business trends and demand

For further information regarding **Client #71404**, you are invited to contact:

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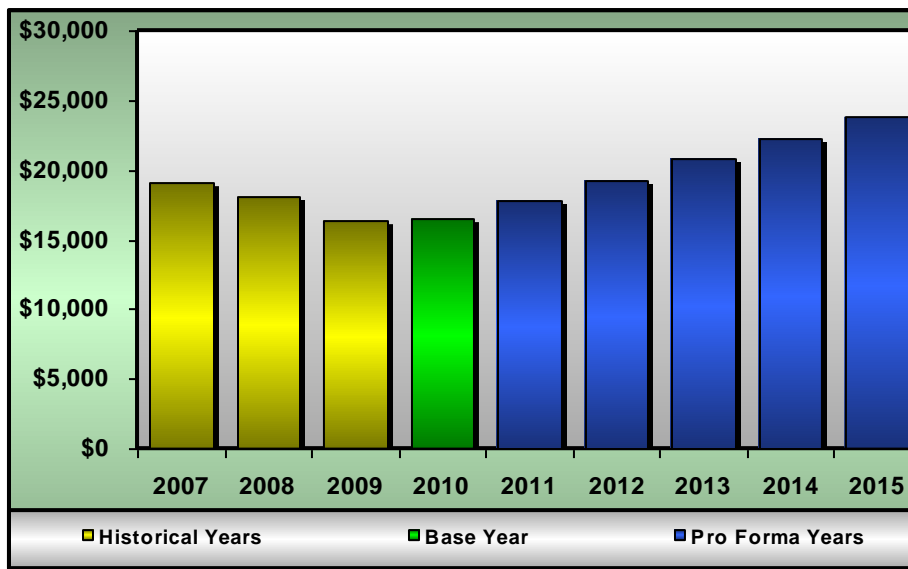
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Revenue & Profitability Trends

- Historical sales decreased from \$19.1 million in 2007 to \$16.3 million in 2009 due to the economic recession.
- Sales for base year 2010 are estimated to increase to \$16.47 million.
- Sales are projected to grow at a compound annual rate of 7.7% per year over the next five years to \$23.87 million.

Revenue Trends



Profitability Trends

