

## Life Fitness Overview

### COMPANY PROFILE

Life Fitness, a division of Brunswick Corporation (NYSE: BC), is the global leader in designing and manufacturing a full line of reliable, high-quality fitness equipment for commercial and consumer use. Its cardiovascular and strength-training products, are used in health, fitness and wellness facilities, as well as in homes, worldwide. The company is headquartered near Chicago and distributes its equipment in more than 120 countries.

Life Fitness is the only fitness equipment manufacturer that has been providing premium equipment for over 30 years with a proven track record and history of excellence. The company is the largest commercial fitness exercise equipment provider in the world. The Lifecycle exercise bike, currently the No. 1 bike in commercial facilities, has set the standard for efficient, easy-to-use workout programs since its introduction in 1968. Likewise, Life Fitness® treadmills, introduced in 1991, are the No. 1 commercial treadmills. The company also is a leading manufacturer of total-body elliptical cross-trainers, stairclimbers and strength-training equipment.

### HISTORY

In the late 1960s, California chemist and inventor Keene Dimick, Ph.D., developed the Lifecycle exercise bike, the first computerized stationary bicycle. Realizing the potential of aerobic equipment for the emerging fitness market, health club pioneer Ray Wilson bought the rights to the bike and along with partner Augie Nieto, established Lifecycle, Inc. in 1977. The continued success of the Lifecycle exercise bike through the years has led to the addition of other innovative features throughout the company's entire cardiovascular product line, including the touchpad console, solid state circuitry, motivational feedback, Lifepulse digital heart rate monitoring technology and interactive heart rate Zone Training programs.

Bally Manufacturing Corp. purchased Lifecycle, Inc. in 1984 and renamed it Bally Fitness Products, Inc. With Bally's financial backing and production capacity in place, the company grew steadily, becoming the world's largest commercial fitness equipment company. In 1987, its name was changed to Life Fitness, Inc., and in 1991, Mancuso & Co. purchased Life Fitness. In 1995, Life Fitness acquired High Tech Professional Strength Systems, Inc. and added strength equipment to its product line.



The Brunswick Corporation, a Fortune 500 company and the market leader in the active recreation industry, acquired Life Fitness in June 1997. Later that same year, Life Fitness acquired Hammer Strength®, the world leader in commercial plate-loaded exercise equipment. The acquisition expanded the company's strength offerings to its core health club markets and solidified its presence in the athletic arenas of colleges and high schools, professional sports and bodybuilding. To further extend its strength product lines and market reach, Life Fitness acquired ParaBody, a manufacturer of gym systems, free weight systems and specialized workout stations for home use, in early 1998.

Headquartered in Schiller Park, Ill., United States, Life Fitness currently operates as a division of Brunswick, headed by President John Stransky. The company has nine global subsidiaries and provides a variety of products and services to more than 120 countries



## **BUSINESS STRATEGY**

Life Fitness designs and manufactures fitness equipment in every major category for both commercial and consumer use. The company's strategy is to be a full-line provider, offering its customers a complete line of cardiovascular and strength-training products to meet their fitness equipment needs. In the commercial marketplace, Life Fitness is a one-stop source for facilities' fitness solutions, offering the largest variety of cardiovascular and strength-training equipment plus extensive pre- and post-sales support and services. In the consumer marketplace, Life Fitness leverages its core competencies and develops health club-quality, premium products for home use.



## **LIFE FITNESS PRODUCTS**

Life Fitness, Hammer Strength and ParaBody brands.

### **Commercial Products**

Life Fitness Lifecycle upright and recumbent exercise bikes, treadmills, total-body elliptical cross-trainers and stairclimbers. Life Fitness Signature Series, Pro2 Series, Circuit Series, Cable Motion Series, and Fit Series Strength selectorized systems. Life Fitness Core Training Solutions. Life Fitness LCD Entertainment Solutions. Hammer Strength plate-loaded, Ground Base, Motion Technology Selectorized, Power Racks and benches and racks.



### **Consumer Products**

Life Fitness upright and recumbent exercise bikes, treadmills, total-body elliptical cross-trainers and stairclimbers. Life Fitness gym systems, ParaBody gym systems, free weight systems and specialized workout stations

### **Exclusive Distributor**

Lemond RevMaster Group Cycling Bike  
Peak PilateSystem Deluxe and Reformer models

### **Product Philosophy**

**Innovation** is what put Life Fitness out front from the start. The company invests heavily in research and development – resulting in fitness solutions that set the standard for the industry. Life Fitness' cardiovascular equipment provides the most sophisticated heart rate monitoring technology available. Unique system designs that minimize impact and maximize comfort are updated constantly, incorporating the latest research findings and upgrades to facilitate the safest workout with the best-possible results.

**Durability, reliability and quality** are keys to Life Fitness products' popularity and respect. The company is committed to lasting quality that protects its customers' investments by minimizing system downtime and maintenance costs. Built with the most durable, functional components available, every piece of Life Fitness equipment is put through the industry's most strenuous tests: all cardiovascular products are tested for at least twice their warranty time (a minimum of 8,000 non-stop hours), and some treadmills are even tested for more than 17,000 hours. More than 20 full-time employees who are dedicated to Quality Assurance randomly pull and meticulously audit at least 3,200 products from the production line each year. All this testing results in documented 99.9 percent out-of-box reliability – the best in the industry.

Also, Life Fitness is the first U.S. fitness equipment manufacturer to earn the ISO 9001 certification, the international standard for quality. In addition, the company's products are certified by Germany's TÜV, Canada's CSA, Europe's CE Mark of Quality and ISTA Certified Packaging.

**Research-based design** helps ensure that all equipment accommodates every exerciser, from the deconditioned individual to the elite athlete. Biomechanical analyses, three-dimensional modeling software and formal, empirical studies maximize biomechanical efficiency and ensure ergonomically correct designs. In addition, Life Fitness pays special attention to the user interface, ensuring that every machine is intuitive and easy to use.



**Networking** equipment can enhance workouts. Life Fitness recognizes that the ability to link a facility's cardiovascular and strength-training equipment to a computer and entertainment service can benefit exercisers and trainers. Available on Life Fitness' 9000 series of commercial cardiovascular products, Communication SpecificAction for Fitness Equipment (CSAFE) technology easily allows the equipment to be compatible with industry-standard fitness networking and entertainment services such as FitLinxx, Cardio Theater and BroadcastVision.

### **Innovative and Precedent-Setting Features**

**Lifecycle Exercise Bike** – The original computerized stationary cycle and the No. 1 preferred exercise bike in the world, Lifecycle set the standard for interactive fitness equipment and motivating programs. The Hill program on the original bike was the predecessor of today's popular interval training programs.

**Visual Feedback** – Life Fitness was the first manufacturer to provide visual feedback on the display console of its products, which encourages motivation and provides a sense of psychological satisfaction.

**Patented FlexDeck® Shock Absorption System** – A hallmark of Life Fitness treadmills, the FlexDeck shock absorption system was designed with input from leading medical and exercise experts to minimize stress to ankles, knees, hips and back and make it one of the most comfortable treadmills on the market. Studies conducted by the TÜV Basis Biomechanical Institute found that the FlexDeck shock absorption system slashes impact force by nearly 30 percent, offering a safer, more effective workout than running outdoors, on other treadmills with non-cushioned decks or on treadmills cushioned with simple rubber blocks or foam strips.

**Patented Lifepulse™ Digital Heart Rate Monitoring Technology** – Lifepulse sensors are embedded in the handlebars of Life Fitness Lifecycle exercise bikes, treadmills, total-body elliptical cross-trainers and stairclimbers, and the patented Lifepulse digital heart rate monitoring technology reads the electrical impulses generated by the heart nearly as accurately as a clinical EKG. Life Fitness is one of the few fitness equipment manufacturers to offer heart rate monitoring technology that is digital, which provides a more accurate heart rate reading than an analog system because it filters out electrical "noise" created by other contracting muscles and focuses directly on the signals from the heart.

**Interactive Heart Rate Zone Training® Programs** – Life Fitness' cardiovascular equipment offers a wide variety of interactive heart rate Zone Training programs. Using either the Lifepulse system or telemetry, the heart rate Zone Training programs process heart rate measurements and automatically adjust the workload to maintain the user's heart rate at a predetermined level for the most efficient, effective workouts.



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**Iso-Lateral® Motion Technology** Hammer Strength plate-loaded equipment is known for its patented Iso-Lateral motion. Iso-Lateral machines are designed to build functional strength by combining unilateral movement with converging or diverging arcs like the body moves naturally. Unilateral movement makes the resistance for each limb independent, which increases exercise variety and provides more balanced results.

**Ground Base® Technology** – Most strength-training equipment requires users to be in seated positions to work isolated muscle groups. Hammer Strength's unique Ground Base technology allows exercisers to train with their feet on the ground, encouraging total body stabilization, better balance and greater functional workouts that maximize everyday as well as athletic performance. Hammer Strength Ground Base machines provide a safe and controlled training environment for explosive sport-specific strengthening routines. In the feet-on-the-ground position, the user's entire body is able to respond naturally to the exercise exertion and gravity, spurring strengthening of corresponding muscle groups and enhancing coordination.

**Motion Technology® Selectorized (MTS)** – Similar to Hammer Strength's plate-loaded equipment but in a selectorized format, MTS provides independent converging or diverging movement patterns that more closely replicate the body's natural movements than other selectorized equipment options. Unique to the MTS design are dual weight stacks, one for each arm. This preserves the purity of the independent nature that is a hallmark of Hammer Strength plate-loaded equipment and enhances the smooth feel of the motion.

**Cable Motion™ Technology** – Combining the best of selectorized machines and free weights, cable motion technology allows users to go beyond traditional strength-training methods that follow a fixed path of motion, letting them define their own paths of motion. This distinctive feature increases exercise variety and enables advanced strength training.

**Home Strength Equipment Innovations** – The ParaBody brand of home strength equipment features numerous innovations: Cable Motion Technology allows users to go beyond traditional strength-training methods that follow a fixed path of motion, letting them define their own paths of motion; Variable Arc™ technology enables exercisers to easily change the press station movement from a traditional fixed path of motion to a natural converging movement; The Wolff Sleeve optimally adjusts the bench pad position as the user moves from flat to incline to military press positions; The Fixed Position Racking System lets a lifter doing bench presses unload the bar at any fatigue point in the range of motion, virtually eliminating the need for a spotter; and The Remote Press Arm Adjustment Handle permits users to conveniently adjust the press arm starting position without having to move from the press station seat.

## ▾ TOTAL FITNESS SOLUTIONS

**In addition to fitness equipment, Life Fitness offers many valuable solutions, services and resources to its customers and end users:**

**Facility Layout Planning Services** – An in-house staff uses two- and three-dimensional technology to help facilities optimally position equipment

**Finance Plans**– Flexible finance, leasing and payment plans meet customers’ specific needs

**Marketing and Instructional Materials** – To help facilities attract and retain members, workout programs, personalized banners, posters and extras are available

**Life Fitness’ Customer Support Call Centers** – These centers supply information about spare parts, pricing and availability and technical troubleshooting

**Field Service Dispatch Group** – More than 325 trained and certified field service engineers perform installation and repair service worldwide

**Certified Pre-Owned (CPO) Equipment Program** – This program provides facilities with a cost-effective purchasing option wherein products are disassembled, diagnosed and tested using comprehensive inspection checklists and made ready for repurchase [www.lifefitness.com](http://www.lifefitness.com) – Life Fitness’ Web site includes in-depth information about the company’s complete lines of cardiovascular and strength-training products

**Education** – The Life Fitness Academy, the training and education department of Life Fitness, conducts Life Fitness equipment training and education programs, speaks around the world, awards annual research grants and develops written works on exercise and fitness.



## **LIFE FITNESS: AT-A-GLANCE**

### **President**

John Stransky

### **Ownership**

Brunswick Corporation of Lake Forest, Ill. (suburban Chicago)

### **Number of employees**

More than 1,800 worldwide

### **Corporate headquarters**

Schiller Park, Ill. (suburban Chicago)

### **European headquarters**

Barendrecht, The Netherlands

### **Asia-Pacific headquarters**

Hong Kong

### **Latin America headquarters**

Schiller Park, Ill.

### **Life Fitness subsidiaries**

Austria, Brazil, Germany, Hong Kong, Italy, Japan, Benelux, Spain and the United Kingdom

### **Worldwide distributors:**

130



## LIFE FITNESS TIMELINE

- 1968** – The Lifecycle exercise bike, the world’s first computerized stationary bicycle, developed by Dr. Keene Dimick
- Mid 1970s** – The rights to the Lifecycle exercise bike sold to Ray Wilson
- 1977** – Wilson and partner Augie Nieto establish Lifecycle, Inc.  
– Lifecycle, Inc. sold to Bally Manufacturing Corp.; name changed to Bally Fitness Products, Inc.
- 1986** – Life Fitness rowing machine brought to market
- 1987** – First Lifecycle exercise bike for the home introduced  
– Bally Fitness Products, Inc. name changed to Life Fitness, Inc.
- 1988** – Life Fitness Circuit added to product line
- 1989** – Life Fitness stairclimbers introduced
- 1991** – Life Fitness purchased by Mancuso & Co. from Bally Manufacturing Corp.  
– Life Fitness treadmill product line launched
- 1992** – Lifecycle bikes with heart rate Zone Training programs and patented Lifepulse digital heart rate monitoring systems brought to market
- 1993** – Life Fitness Academy established
- 1994** – Lifecenter networking system and Life Fitness Personal Performance Center (PPC) announced
- 1995** – High Tech Professional Strength Systems, Inc. acquired by Life Fitness.; Life Fitness strength-training systems added to product line  
– Life Fitness front-drive commercial total-body elliptical cross-trainers introduced  
Life Fitness purchased by Brunswick Corp. from Mancuso & Co.  
– Hammer Strength acquired by Life Fitness; Plate-loaded strength-training equipment added to product line

- 1998**
- ParaBody acquired by Life Fitness; Gym systems, free weight systems and specialized workout stations for home use added to product line
  - Multi-Jungle Series of weight stack exercise equipment introduced
  - Life Fitness Strength 8000 series for lower-traffic facilities launched
  - Redesigned commercial recumbent Lifecycle exercise bikes brought to market
  - Comprehensive program to support fitness professionals’ training and education needs launched
  - Smart Exercise Guide, a booklet with exercise tips and information to improve workouts and quality of life, developed and produced
  - “Exercise-as-Therapy” curriculum programs for fitness professionals developed and produced
- 1999**
- Life Fitness next generation commercial treadmills launched
  - Life Fitness rear-drive commercial total-body elliptical cross-trainers brought to market. Life Fitness 5500HR total-body elliptical cross-trainer for home use announced. Hammer Strength Motion Technology Selectorized equipment and benches and racks added to product line
- 2000**
- Life Fitness T-Series treadmills for home use introduced
  - Life Fitness C- and R-Series upright and recumbent Lifecycles for home use launched
  - Life Fitness X-Series total-body elliptical cross-trainers for home use brought
  - Consumer headquarters in Ramsey, Minn., expanded
- 2001**
- ParaBody 777 Cable Motion Gym and 220 Gym System announced
  - Life Fitness Club Series Strength added to product line
  - 500,000th Lifecycle exercise bike produced
- 2002**
- Revamped Life Fitness commercial and consumer upright and recumbent Lifecycle exercise bikes introduced
  - New Life Fitness commercial and consumer independent stairclimbers launched
  - ParaBody 880 Gym System brought to market Agreement with LeMond Fitness Inc. for Life Fitness to be the exclusive distributor of the RevMaster group cycling bike and training programs announced. Revamped Life Fitness midline commercial treadmills introduced Life Fitness consumer treadmill line expanded with top-of-line T9i. New multi-gyms added to the Life Fitness Fit Series Strength selectorized line. 9500XXL Lifecycle upright exercise bike, the first Lifecycle exercise bike designed for taller athletes, brought to market. Life Fitness Cable Motion Series of strength-training products developed. Three strength pieces added to Cable Motion Series ParaBody GS1 Gym System introduced

**2003**

- New brands of value-priced cardiovascular equipment for the home
- Life Fitness Sport and Essential – unveiled
- Agreement with Bally Total Fitness for Life Fitness to develop line of Bally Total Fitness-branded equipment announced
- Agreement with StretchMate for Life Fitness to be the exclusive distributor of the StretchMate Series 500 and Series 700 Flexibility Systems announced
- ParaBody GS4 Gym System and GS6 Gym System introduced
- New Pro2 selectorized strength line brought to market
- Agreement with Peak Pilates for Life Fitness to be the exclusive distributor of the Peak PilateSystem Deluxe and Reformer models announced
- Revamped Life Fitness commercial treadmills introduced
- Redesigned single-station Fit Series strength Duals brought to market
- Life Fitness Signature Series selectorized strength line unveiled
- Online continuing education courses offered through Life Fitness Academy
- Controlling stake in Protokon, LLC, Kiskoros, Hungary, a leading European equipment manufacturer, obtained. Life Fitness integrated LCD console and attachable LCD entertainment system announced
- First Life Fitness Store opened in Phoenix New Fit Stride 95Xi, 93X and 90X total-body elliptical cross-trainers introduced. Hammer Strength Olympic Heavy-Duty Rack Systems brought to market

**2004**

- Redesigned Cable Motion Multi-Jungles and Dual Adjustable Pulley unveiled
- Standardization of international Certified Pre-Owned (CPO) Program announced; CPO refurbishing facility in Hungary established. Life Fitness world headquarters relocated to Schiller Park, Ill. Paso Robles, Calif., manufacturing facility shut down; manufacturing moved to Ramsey, Minn., facility