



MEDIA RELEASE

VIRGIN ACTIVE ANNOUNCES MAJOR EXPANSION IN SOUTH EAST ASIA

The world's leading international health club company announces step change in clubs and investment in Thailand and Singapore with plans to invest up to £150 million in next six years

SINGAPORE, 20 May 2016 – Virgin Active has today announced plans to significantly increase its presence in South East Asia, investing from existing resources up to £150 million in the region and creating almost 2,000 jobs in the next six years.

Virgin Active intends to open up to 20 clubs in Thailand, investing up to 5 billion Thai Baht (£100 million) and creating around 1,500 new jobs in the country. In Singapore, it will invest up to 100 million Singapore Dollars (£50 million) and open between eight and ten new clubs, creating 400 jobs. There are currently three Virgin Active clubs open in Thailand and one in Singapore, with a further two under construction in each country. Virgin Active is also exploring expansion in other key Asian markets.

Virgin Active believes that the Asian markets are set to evolve in a similar way to the more developed health clubs markets in the USA, UK and Australia, where existing older fitness only operations have struggled with the arrival of more differentiated and innovative fitness products tailored to meet the needs of an evolving and more educated consumer. The Asian market has numerous existing smaller fitness clubs targeting the value segment, but there is enormous scope to introduce the premium, high end fitness clubs that Virgin Active specialises in. These provide a luxury experience, a broad offer of facilities and a highly innovative group exercise programme, which has already proved successful in the region.

The Virgin brand has helped to secure landmark sites in South East Asia. By 2017, Virgin Active will have three flagship clubs in operation in Singapore. Virgin Active opened its first site at the iconic One Raffles Place office tower in 2013 and has secured further sites in what will be Singapore's tallest building at Tanjong Pagar and the new Marina One development in

the heart of the Marina Bay Financial district. These clubs will offer state of the art facilities including the latest in altitude training, the first of its type in the Singaporean health club market – appropriately located in Singapore’s tallest building.

Singapore will also have its first private fitness club with an indoor air conditioned training pool, complete with hydrotherapy relaxation rooms featuring Himalayan rock salt treatments. These are specifically designed to reduce negative ions after sitting behind computer screens for prolonged periods. There will also be climbing walls, social areas and meeting rooms to complete the all-round club experience.

New sites due to open in Bangkok this year will feature some of the most innovative and cutting edge design from around the world, as Virgin Active has pooled its international design capability to produce clubs that exceed the standards of both the European and US fitness markets. A new site in Bangkok in the affluent suburb of East Ville will open with Thailand’s leading retail department store operator Central Group.

It will feature Asia’s first fully dedicated children’s fitness facilities incorporating the latest junior activities, which include innovative ‘learn to swim’ programmes from the UK and Australia. Globally, Virgin Active has more than 100 dedicated children’s facilities that look after the health and wellbeing of over 150,000 children.

This year, Virgin Active will also be opening Bangkok’s largest multi-purpose fitness facility at the Chit Lom interchange in the heart of Bangkok’s bustling retail district, in the newly refurbished Siam Discovery retail mall. At over 5,000 square metres, the club will be one of the largest private fitness clubs in Asia and will feature a 20 metre indoor swimming pool as well as the latest Italian spa design. Virgin Active has managed to attract the best personal trainers in the country and its studios and fitness equipment will incorporate the latest technology. The club will also feature one of the largest dedicated club lounges, where members can socialise overlooking the Royal Palace gardens.

Matthew Bucknall the founder of Virgin Active, spearheading growth in the region, commented: “The resounding success of our first four clubs in Thailand and Singapore has exceeded our own high expectations and we feel that the time is now right to accelerate our expansion plans for Southeast Asia. The global health and fitness industry is evolving rapidly, with many of the current Asia health club offerings being outdated first generation, fitness only formats. Along with opening more of our unique large premium clubs, we are also looking at exciting new formats to offer something for everyone.”

"Unlike other industry operators, we have a globally recognisable brand which gives us a head start in securing iconic locations and consumers expect a Virgin product to be different and to disrupt the industry. We have ambitious plans for our Asian business because we believe we can build our Asian presence to the same level as that of Europe and South Africa where we have over 100 clubs in each region, and importantly, make a positive difference to our members.

"Asia offers a major opportunity for our brand and product to expand and develop. Growing consumer awareness of the importance of health and fitness coupled with rapidly rising wealth will drive demand for our health clubs. We believe our unique state of the art clubs will transform the region's fitness market appealing to a new way of brand conscious consumers."

In an industry beset with financial difficulties, Virgin Active has been the standout success story -registering annual double digit earnings growth since it was started in 1999 with one club in the UK. The company was acquired in July 2015 by the investment holding company Brait, which is listed on the Luxembourg and Johannesburg Stock Exchanges, in a transaction valuing Virgin Active at £1.3 billion.

Virgin Active already has a very strong presence in the UK, Italy, Iberia and South Africa where the company has successfully proven its ability to lead the creation of a premium health club experience in an emerging market. It plans to build a strong pipeline in Thailand and Singapore and then expand in other Asian territories including the Philippines and Hong Kong - the latter providing a natural gateway to China.

This builds on the company's announcement late last year, where one of its key shareholders, Sir Richard Branson unveiled plans to bring the number of new Australian clubs up to 14, taking its total number to around 20, and further cementing its leading position in the region.

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Notes to Editors

About Virgin Active Health Clubs

Virgin Active currently has three clubs in Thailand, one in Singapore and 273 clubs in eight other countries with over 1.4 million members. Virgin Active is more than a gym. We are a leading international health club operator providing a one-stop-shop for your health and wellbeing needs. We set out to be different from all the rest, so that's why our clubs are generously sized and filled with a range of high quality facilities including gym floors, exercise, cycle and yoga studios, swimming pools, spa areas, saunas, cafés and social

areas. Everyone is welcome at Virgin Active, young, old, fit or unfit. Virgin Active is owned by Brait and the Virgin Group, for more information go to www.virginactive.com.

For further information on Virgin Active, please contact:

Beatrice Lau
WE Communications
E: blau@WE-Worldwide.com
T: +65 6303 8355 M: +65 9828 4393