



First Retail Acquired by New Investors led by Daniel and Leo Gestetner

- **Simon Bentley, Ex Chairman and Chief Executive of Blacks, appointed Non-Executive Chairman**
- **Aggressive roll-out strategy planned**

First Sports Group Ltd, a new company formed by Daniel and Leo Gestetner, has completed the acquisition of The Northkey Group, including First Retail UK Limited ("First"), one of the leading sporting goods retailers in the Health & Fitness industry. This is Daniel and Leo Gestetner's third acquisition in less than two years. Simon Bentley, ex Chief Executive and Chairman of Blacks, has invested in the business and joins the board as Non-Executive Chairman.

First is a leading service provider to the UK premium health club market and operates sports goods and clothing retail operations from 77 sites at Esporta, David Lloyd and Holmes Place clubs. It operates from a combination of Pro-shops - traditional on-site shops and First Cubes - a smaller newly developed format. The core product offering is fitness / sportswear, swimwear and swimming equipment, footwear and rackets.

First Pro shop, David Lloyd Chigwell



First Cube, David Lloyd Woking



The acquisition provides the business with the financial and managerial resources, to capitalise on the success of the First Cubes concept with an aggressive roll-out planned over the next 2-3 years.

As a result of the acquisition, First has been recapitalised and will have the necessary finance to fund future growth. In particular, c.£2m has been injected into the Group which will be used to support both existing operations and the roll-out at new sites. Mark Elliott, founder of the 'first' business assumes the role of COO. In addition the First management team will be enhanced with a number of additions and will benefit from Simon Bentley as Non-Executive Chairman.

Simon Bentley said: "There are real opportunities to grow the business through new openings and product development. I look forward to working with the company to implement its growth plan as it becomes the dominant provider of retail products within private health and fitness clubs in the UK. "



Daniel Gestetner, said: "This transaction provides First with the opportunity to roll-out its successful and proven Cube concept. Following the acquisition, we will be in a position to leverage First's position in its niche in the Health & Fitness market".

New World Corporate Finance Limited acted as corporate finance adviser and Howard Kennedy as legal adviser to First Sports Group Ltd.

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Notes

Simon Bentley

Simon was Chairman and Chief Executive of Blacks Leisure Group plc ("Blacks") for over 12 years and a director of the World Federation of the Sporting Goods Industry (2001 to 2004).

Under Simon's management Blacks developed from a company with c.30 retail outlets in outdoor retail to become a significant retail and wholesale entity handling a number of brands involved in footwear, apparel and accessories with approximately 550 retail outlets across the UK.

Since his departure from Blacks in June 2002 Simon has developed a variety of business interests and has in addition taken on directorships of a number of different companies and organisations.

Daniel and Leo Gestetner

Having sold their shopping portal, ShopSmart, to Barclaycard, Daniel and Leo Gestetner formed The Kendal Group in early 2003 with the aim of acquiring a number of brands in the sports and leisure sectors.

They bought Zoggs, the market leading swimwear and swim equipment brand, in July 2003 and PureLime, a leading designer and producer of high quality clothing for the fast growing women's aerobic and fitness wear market in October 2004.

The First transaction represents Daniel and Leo's third acquisition in less than two years