

Fitness Institute sold by Heinz to Toronto's Cambridge Group

The Fitness Institute health clubs, second-home to the country's corporate elite, are changing hands.

Condiment maker H.J. Heinz Company has sold the high-end clubs, located in Willowdale, Mississauga and downtown Toronto's TD Centre, to the Cambridge Group of Toronto. The companies announced the sale jointly last week.

The Cambridge Group already owns the Cambridge and Adelaide Clubs in Toronto, and the Montreal Athletic Association.

"I've often said that if a bomb were to go off in the Fitness Institute at 8 in the morning, half of Canada's business elite would be wiped off the face of the earth," said former president John Wildman.

The deal, the latest as Heinz sheds

retail operations to concentrate on its core food manufacturing groups, was in the works for about one year.

"The Fitness Institute has always served a pretty high-end professional group of members. That has been the absolute mantra of the Cambridge Group in our three clubs," said Cambridge president Clive Caldwell. "I think that strategic fit was important. There was nobody else really in the Canadian market that was serving as high-end a group."

The companies declined to disclose the purchase price.

Revenues among the six Cambridge Group clubs would total about \$20 million annually, Caldwell said. Together, the six health clubs will have some 12,000 members.

Steve Roest, also a partner in the deal, will serve as the new manager of the TD Club.

The Fitness Institute, which currently has about 600 employees, has been profitable since Pittsburgh-based Heinz bought the clubs in 1988, Wildman said.

Cambridge Group will continue to improve the Institute's chiropractic and massage services, as well as other facilities, Caldwell said. "We're going to really focus on trying to upgrade the gymnasiums and bring in more fitness equipment," he said.

The clubs may also consider lowering their membership fees. "We're in the suburban clubs. We're in a family environment. We'd like to attract some more younger people into the clubs," Caldwell said. Memberships to the Fitness Institute, which offer a variety of personal training, nutrition, physiotherapy, massage and aesthetics services, can run from \$1,000 to \$2,000 a year.

Lloyd Percival, known as a rather eccentric fitness guru and track coach, founded the Fitness Institute 37 years ago. His ideas on physical training were considered ahead of their time.

Heinz sold its Weight Watchers International chain late last year to a private investor.