Life Time Fitness Announces New $34 Million Credit Facility And Exercise Of Accordion Feature Under Existing Revolving Credit Facility

CHANHASSEN, Minn.--(BUSINESS WIRE)--Life Time Fitness, Inc.(NYSE:LTM) announced today that its wholly owned subsidiary issued variable rate demand notes in the amount of $34,235,000 on June 13, 2008, the proceeds of which will be used to provide permanent financing for the Company's corporate headquarters in Chanhassen, Minnesota, and a fitness center in Overland Park, Kansas.

The notes, which mature on July 1, 2033, bear interest at a variable rate that is adjusted weekly. Initially, this rate is 2.38%.

The notes are backed by a letter of credit from General Electric Capital Corporation (GECC), for which the Company will pay GECC an annual fee of 1.40% of the maximum amount available under the letter of credit, as well as other drawing and reimbursement fees.

In connection with the letter of credit, which expires June 1, 2023, the borrower subsidiary entered into a reimbursement agreement with GECC. The subsidiary's obligations under the reimbursement agreement are secured by mortgages against the two aforementioned properties. The Company has guaranteed the subsidiary's obligations under the leases that will fund any reimbursement obligations.

Additional details of the transaction were disclosed in a Form 8-K filed with the Securities and Exchange Commission on June 18, 2008.

Life Time Fitness also announced that, on June 12, 2008, it exercised a portion of the accordion feature under its existing agreement with U.S. Bank National Association, as the lead arranger. This increase, together with other exercises of the accordion feature during the second quarter, has increased the lenders' commitment from $400 million to $470 million at current rates and terms. Under the terms of this credit facility, Life Time Fitness may increase the total amount of the facility up to $600 million through further exercise of the accordion feature.

“ "We believe that these arrangements indicate confidence in our business model and growth plan." ”

The Company continues to use the revolving credit facility to finance the construction and development of new centers, and for other general corporate purposes.

"We are pleased with the new credit agreement and growth in our existing credit facility, which increase the resources available to us in support of our growth objectives," said Michael Robinson, chief financial officer, Life Time Fitness. “We believe that these arrangements indicate confidence in our business model and growth plan.”

About Life Time Fitness, Inc.

Life Time Fitness, Inc. (NYSE:LTM) operates distinctive and large, multi-use sports and athletic, professional fitness, family recreation and resort and spa centers. The company also provides consumers with personal training consultation, full-service spas and cafes, corporate wellness programs, health and nutrition education, the healthy lifestyle magazine, Experience Life, athletic events, and nutritional products. As of June 18, 2008, Life Time Fitness operated 74 centers in 17 states, including Arizona, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Maryland, Michigan, Minnesota, Missouri, Nebraska, North Carolina, Ohio, Texas, Utah and Virginia. Life Time Fitness is headquartered in Chanhassen, Minnesota, and can be located on the Web at lifetimefitness.com. LIFE TIME FITNESS, EXPERIENCE LIFE, and the LIFE TIME FITNESS TRIATHLON SERIES are registered trademarks of Life Time Fitness, Inc. All other trademarks or registered trademarks are the property of their respective owners.

Risks & Uncertainties

Certain information contained in this press release may be deemed to constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause the Company's actual results in the future to differ materially from its historical results and those presently anticipated or projected. Among these factors are identifying and acquiring suitable sites for new sports, fitness and family recreation centers, opening new sports, fitness and family recreation centers, attracting and retaining members, obtaining additional financing and other factors set forth in the Company's filings with the Securities and Exchange Commission. The Company cautions investors not to place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update such statement to reflect events or circumstances arising after such date.

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