LIFE TIME FITNESS, INC.
Form DEFM14A
April 30, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Life Time Fitness, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

¨ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

x Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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DATED April 30, 2015

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

April 30, 2015

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Life Time Fitness, Inc., which we refer to as Life Time, to be held on Thursday, June 4, 2015 at our offices at 2902 Corporate Place, Chanhassen, Minnesota 55317, at 9:00 a.m., Central Time.

At the special meeting, you will be asked to consider and vote on a proposal to approve and adopt the Agreement and Plan of Merger (as it may be amended from time to time), dated March 15, 2015, which we refer to as the merger agreement, by and among Life Time, LTF Holdings, Inc., which we refer to as Parent, and LTF Merger Sub, Inc., an indirect, wholly owned subsidiary of Parent, which we refer to as Merger Sub. Parent and Merger Sub are affiliates of Leonard Green & Partners, L.P. and TPG Capital, L.P. Pursuant to the terms of the merger agreement, Merger Sub will merge with and into Life Time, and Life Time will become an indirect, wholly owned subsidiary of Parent, which we refer to as the merger. You will also be asked to consider and vote on: (i) a proposal to adjourn the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (ii) a proposal to approve by non-binding advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

If the merger is consummated, you will be entitled to receive $72.10 in cash, without interest, for each share of our common stock you own (unless you have properly perfected your dissenters rights with respect to such shares), which represents a premium of (i) approximately 73% to Life Time s closing stock price on August 22, 2014, the last trading day prior to Life Time s public announcement that Life Time s board of directors and senior management team had initiated a process to explore a potential conversion of Life Time s real estate assets into a real estate investment trust, or REIT; (ii) approximately 22% over the volume weighted average share price of the common stock during the 90 days ended March 13, 2015, the last trading day before the merger agreement was signed; (iii) approximately 25% over the closing share price on March 5, 2015, the last trading day before the publication of articles suggesting that Life Time was for sale; and (iv) approximately 7% over the closing share price on March 13, 2015. Life Time s common stock has never traded at prices higher than the per-share merger consideration of $72.10 since Life Time went public in 2004.

After consideration of, and based upon, the recommendation of a special committee of the board of directors consisting entirely of independent and disinterested directors, our board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to, advisable, and in the best interests of Life Time and its shareholders, declared the merger agreement advisable under Minnesota law and approved, adopted and authorized the merger agreement and the transactions contemplated by the merger agreement, including the merger. Our board of directors unanimously recommends that you vote (i) FOR the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) FOR the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or

appropriate, to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

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We encourage you to read the enclosed proxy statement and its appendices, including the merger agreement, carefully and in their entirety. You may also obtain more information about Life Time from documents we file with the Securities and Exchange Commission from time to time.

Your vote is very important, regardless of the number of shares that you own. We cannot consummate the merger unless the proposal to approve and adopt the merger agreement is approved by the affirmative vote of the holders of a majority of the voting power of all shares of our common stock entitled to vote at the special meeting. The failure of any shareholder to vote in person by ballot at the special meeting, to submit a signed proxy card or to grant a proxy electronically over the Internet or by telephone will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote AGAINST the proposal to approve and adopt the merger agreement.

We hope that you will be able to attend the special meeting. However, whether or not you plan to attend in person, please complete, sign, date and return the enclosed proxy card in the accompanying postage prepaid envelope as promptly as possible. You also may grant your proxy by using the toll-free telephone number, or by accessing the Internet website, specified on your proxy card. If you attend the special meeting and wish to vote in person, you must deliver to our Secretary a written revocation of any proxy you previously submitted, as your vote by ballot will not revoke any proxy previously submitted. If you have any questions or need assistance voting your shares of our common stock, please contact MacKenzie Partners Inc., our proxy solicitor, by calling (800) 322-2885 toll-free or (212) 929-5500 collect.

On behalf of our board of directors, I thank you for your support and appreciate your consideration of this matter.

Sincerely,

Bahram Akradi

Chairman of the Board of Directors, President and

Chief Executive Officer

This proxy statement is dated April 30, 2015, and is first being mailed to shareholders of Life Time Fitness, Inc. on or about April 30, 2015.

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DATED APRIL 30, 2015

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 4, 2015

Notice is hereby given that a special meeting of shareholders of Life Time Fitness, Inc., a Minnesota corporation, which we refer to as Life Time, will be held on June 4, 2015 at our offices at 2902 Corporate Place, Chanhassen, Minnesota 55317, at 9:00 a.m., Central Time, for the following purposes:

1. To consider and vote on the proposal to approve and adopt the Agreement and Plan of Merger, dated March 15, 2015, by and among LTF Holdings, Inc., which we refer to as Parent, LTF Merger Sub, Inc., an indirect, wholly owned subsidiary of Parent, and Life Time, as it may be amended from time to time, which we refer to as the merger agreement;

2. To consider and vote on the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and

3. To consider and vote on the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger contemplated by the merger agreement.

The affirmative vote of the holders of a majority of the voting power of all shares of our common stock entitled to vote at the special meeting is required to approve the proposal to approve and adopt the merger agreement. The affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote at the special meeting, whether or not a quorum is present, is required to approve the proposal to approve one or more adjournments of the special meeting and affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote at the special meeting, is required to approve the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the

proposal to approve and adopt the merger agreement, but will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement, but will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may be paid to Life Time s named executive officers that is based on or otherwise relates to the merger. Abstentions will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement, the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

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The presence at the meeting, in person or by proxy, of the holders of a majority of the voting power of the shares of common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business at the meeting. Abstentions and broker non-votes, if any, will be counted as present for purposes of determining the existence of a quorum.

Only shareholders of record as of the close of business on April 27, 2015 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof.

Shareholders who do not vote in favor of the proposal to approve and adopt the merger agreement will have the right to assert dissenters rights if they deliver a demand for dissenters rights before the vote is taken on the merger agreement and comply with all the requirements of Minnesota law, which are summarized herein and reproduced in their entirety in Appendix B to the accompanying proxy statement.

After consideration of, and based upon, the recommendation of a special committee of the board of directors consisting entirely of independent and disinterested directors, our board of directors unanimously recommends that you vote (i) FOR the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) FOR the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

By Order of the Board of Directors,

Bahram Akradi

Chairman of the Board of Directors, President and

Chief Executive Officer

Chanhassen, Minnesota

April 30, 2015

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YOUR VOTE IS IMPORTANT

If your shares are registered directly in your name: If you are a shareholder of record, you may vote your shares through the Internet, by telephone or by mail as described below. Please help us save time and postage costs by voting through the Internet or by telephone. Each method is generally available 24 hours a day and will ensure that your vote is confirmed and posted immediately. To vote:

1. BY INTERNET

a. Go to the website at *www.proxyvote.com*, 24 hours a day, seven days a week, until 11:59 p.m., Eastern Time on June 3, 2015.

b. Please have your proxy card available to verify your identity and create an electronic ballot.

c. Follow the simple instructions provided.

2. BY TELEPHONE

a. On a touch-tone telephone, call toll-free 1-800-690-6903, 24 hours a day, seven days a week, until 11:59 p.m., Eastern Time on June 3, 2015.

b. Please have your proxy card available to verify your identity.

c. Follow the simple instructions provided.

3. BY MAIL

a. Mark, sign and date your proxy card.

b. Return it in the postage-paid envelope that will be provided.

If your shares are held in the name of a broker, bank or other nominee: You will receive voting instructions from the organization holding your account and you must follow those instructions to vote your shares. As a beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares in your account. Your broker, bank or other nominee cannot vote on any of the proposals, including the proposal to approve and adopt the merger agreement, without your instructions.

If you fail to return your proxy card, grant your proxy electronically over the Internet or by telephone or vote by ballot in person at the special meeting, your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. If you hold your shares through a broker, bank or other nominee, you must obtain from

the record holder a valid proxy issued in your name in order to vote in person at the special meeting. A shareholder providing a proxy may revoke it at any time before it is exercised by providing written notice of revocation to our Secretary or by providing a proxy of a later date.

We encourage you to read the accompanying proxy statement, including all documents incorporated by reference into the accompanying proxy statement, and its appendices carefully and in their entirety. If you have any questions concerning the merger, the special meeting or the accompanying proxy statement, would like additional copies of the accompanying proxy statement or need help voting your shares of common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Email: proxy@mackenziepartners.com

Call collect: (212) 929-5500

Call toll-free: (800) 322-2885

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APPENDICES

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SUMMARY

This summary highlights selected information from this proxy statement related to the merger of LTF Merger Sub, Inc. with and into Life Time Fitness, Inc., with Life Time Fitness, Inc. surviving as an indirect, wholly owned subsidiary of LTF Holdings, Inc., which transaction we refer to as the merger, and may not contain all of the information that is important to you. To understand the merger more fully and for a more complete description of the legal terms of the merger, you should read carefully this entire proxy statement, the appendices to this proxy statement, including the merger agreement, and the documents we incorporate by reference in this proxy statement. You may obtain the documents and information incorporated by reference in this proxy statement without charge by following the instructions under Where You Can Find More Information beginning on page 119. The merger agreement is attached as Appendix A to this proxy statement.

Except as otherwise specifically noted in this proxy statement or as context otherwise requires, Life Time, we, our, us and similar words in this proxy statement refer to Life Time Fitness, Inc. including, in certain cases, our subsidiaries. Throughout this proxy statement we refer to LTF Holdings, Inc. as Parent and LTF Merger Sub, Inc. as Merger Sub. In addition, throughout this proxy statement we refer to the Agreement and Plan of Merger, dated March 15, 2015, as it may be amended from time to time, by and among Parent, Merger Sub and Life Time, as the merger agreement.

Parties Involved in the Merger (page 33)

Life Time Fitness, Inc.

2902 Corporate Place

Chanhassen, Minnesota 55317

(952) 947-0000

Life Time is The Healthy Way of Life Company. We help organizations, communities and individuals achieve their total health objectives, athletic aspirations and fitness goals by engaging in their areas of interest, or discovering new passions, both inside and outside of Life Time s distinctive, resort-like sports, professional fitness, family recreation and spa destinations, most of which operate 24 hours a day, seven days a week. Our Healthy Way of Life approach enables our customers to achieve success by providing the best places, people and programs of exceptional quality and value.

For more information about Life Time, please visit our website at *www.lifetimefitness.com*. Our website address is provided as an inactive textual reference only. The information contained on our website is not incorporated into, and does not form a part of, this proxy statement or any other report or document on file with or furnished to the U.S. Securities and Exchange Commission, or the SEC. See also Where You Can Find More Information beginning on page 119.

Our common stock is currently listed on the New York Stock Exchange, which we refer to as the NYSE, under the symbol LTM.

LTF Holdings, Inc.

c/o Leonard Green & Partners, L.P.

11111 Santa Monica Boulevard, Suite 2000

Los Angeles, California 90025

(310) 954-0444

c/o TPG Capital, L.P.

345 California Street, Suite 3300

San Francisco, California 94104

(415) 743-1500

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LTF Holdings, Inc. is a Delaware corporation that was formed by affiliates of Leonard Green & Partners, L.P., which we refer to as Leonard Green, and an affiliate of TPG Capital, L.P., which we refer to as TPG, solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Leonard Green is a private equity firm based in Los Angeles, California. TPG is a leading global private equity firm with 17 offices worldwide. Upon completion of the merger, Life Time will be an indirect, wholly owned subsidiary of Parent.

LTF Merger Sub, Inc.

c/o Leonard Green & Partners, L.P.

11111 Santa Monica Boulevard, Suite 2000

Los Angeles, California 90025

(310) 954-0444

c/o TPG Capital, L.P.

345 California Street, Suite 3300

San Francisco, California 94104

(415) 743-1500

LTF Merger Sub, Inc. is a Minnesota corporation that was formed by Parent solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Upon the completion of the merger, Merger Sub will cease to exist and Life Time will continue as the surviving corporation of the merger and an indirect, wholly owned subsidiary of Parent.

The Special Meeting (page 26)

Date, Time and Place

A special meeting of our shareholders will be held on June 4, 2015, at our offices at 2902 Corporate Place, Chanhassen, Minnesota, 55317, at 9:00 a.m., Central Time.

Record Date; Shares Entitled to Vote

You are entitled to vote at the special meeting if you owned shares of our common stock at the close of business on April 27, 2015, the record date for the special meeting. You will have one vote at the special meeting for each share of our common stock you owned at the close of business on the record date.

Purpose

At the special meeting, we will ask our shareholders of record as of the record date to vote on proposals (i) to approve and adopt the merger agreement; (ii) to approve one or more adjournments of the special meeting to a later date or dates to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time

of the special meeting; and (iii) to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Quorum

As of the record date, there were 39,043,889 shares of our common stock outstanding and entitled to be voted at the special meeting. A quorum of shareholders is necessary to hold a special meeting. The holders of a majority of the voting power of all shares of our common stock entitled to vote at the special meeting, either

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present in person or represented by proxy, will constitute a quorum at the special meeting. As a result, 19,521,945 shares must be represented by proxy or by shareholders present and entitled to vote at the special meeting to have a quorum.

Required Vote

Approval and adoption of the merger agreement requires the affirmative vote of at least a majority of the voting power of all shares of our common stock entitled to vote at the special meeting. Approval of the proposal to approve one or more adjournments of the special meeting, whether or not a quorum is present, requires the affirmative vote of a majority of the voting power of all shares of our common stock represented at the special meeting, either in person or by proxy, and entitled to vote at the special meeting. Approval of the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger requires the affirmative vote of a majority of the voting power of all shares of our common stock represented at the special meeting, in person or by proxy, and entitled to vote at the special meeting.

Share Ownership of Our Directors and Executive Officers

As of April 27, 2015, the record date, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, 3,090,119 shares of our common stock (excluding any shares of our common stock that would be delivered upon exercise or conversion of stock options or other equity-based awards), representing approximately 7.9% of the outstanding shares of our common stock. In connection with the merger agreement, Bahram Akradi, our Chairman, Chief Executive Officer, and President entered into a voting agreement with Parent, pursuant to which he agreed to, among other things, vote his shares of Life Time common stock (i) in favor of the approval and adoption of the merger agreement, (ii) in favor of any related proposal in furtherance of the merger and the transactions contemplated by the merger agreement and (iii) against any alternative proposal or any proposal relating to an alternative proposal. Such voting agreement will terminate upon the earlier of (a) the effective time of the merger; (b) the date on which the merger agreement is terminated in accordance with its terms; and (c) the date on which the parties thereto terminate the voting agreement by mutual agreement. Additionally, our other directors and executive officers have informed us that they currently intend to vote all of their shares of Life Time common stock (i) **FOR** the proposal to approve and adopt the merger agreement; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Voting of Proxies

Any Life Time shareholder of record entitled to vote at the special meeting may submit a proxy by returning a signed proxy card by mail or voting electronically over the Internet or by telephone, or may vote in person by attending at the special meeting. If you are a beneficial owner and hold your shares of Life Time common stock in street name through a broker, bank or other nominee, you should instruct your broker, bank or other nominee on how you wish to vote your shares of Life Time common stock using the instructions provided by your broker, bank or other nominee. Under applicable stock exchange rules, brokers, banks or other nominees have the discretion to vote your shares on routine matters if you fail to instruct your broker, bank or other nominee on how to vote your shares with respect to such matters. The proposals in this proxy statement are non-routine matters, and brokers, banks and other nominees therefore cannot vote on these proposals without your instructions, resulting in what we refer to as a broker non-vote. Therefore, it is important that you cast your vote or instruct your broker, bank or nominee on how you wish to vote your shares.

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by submitting a new proxy electronically over the Internet or by telephone after the date of

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the earlier submitted proxy, signing another proxy card with a later date and returning it to us prior to the special meeting by providing written notice of revocation to our Secretary before your proxy is exercised. If you hold your shares of common stock in street name, you should contact your broker, bank or other nominee for instructions regarding how to change your vote.

The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement, but will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement, but will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may be paid to Life Time s named executive officers that is based on or otherwise relates to the merger. Abstentions will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement, the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Neither the SEC nor any state securities regulatory agency has approved or disapproved of the transactions described in this document, including the merger, or determined if the information contained in this document is accurate or adequate. Any representation to the contrary is a criminal offense.

Certain Effects of the Merger on Life Time (page 34)

Upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into Life Time, with Life Time continuing as the surviving company and an indirect, wholly owned subsidiary of Parent. Throughout this proxy statement, we use the term surviving company to refer to Life Time as the surviving company following the merger. If the merger is consummated, you will not own any shares of the capital stock of the surviving company.

The time at which the merger will become effective, which we refer to as the effective time of the merger, will occur upon the filing of the articles of merger with the Secretary of State of the State of Minnesota (or at such later time as we and Parent may agree and specify in the articles of merger).

Effect on Life Time if the Merger is Not Completed (page 34)

If the merger agreement is not adopted by Life Time shareholders or if the merger is not completed for any other reason, Life Time shareholders will not receive any payment for their shares of common stock. Instead, Life Time will remain a public company, our common stock will continue to be listed and traded on the NYSE and registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and we will continue to file periodic reports with the SEC. Under specified circumstances, Life Time may be required to reimburse certain of Parent s expenses incurred in respect of the transactions contemplated by the merger agreement or pay Parent a termination fee, or may be entitled to receive a reverse termination fee from Parent, upon the termination of the merger agreement, as described under The Merger Agreement Termination Fees beginning on page 109.

Merger Consideration (pages 35; 93)

In the merger, each outstanding share of our common stock (other than (i) shares held by Life Time, Parent or Merger Sub or any direct or indirect subsidiary of Life Time or Parent; (ii) shares being contributed to Parent by Mr. Akradi and any other persons pursuant to the contribution and subscription agreement (described below);

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and (iii) shares held by shareholders who have perfected and not withdrawn a demand for dissenters rights or who have not otherwise lost dissenters rights under Minnesota law with respect to such shares, which we refer to collectively as the excluded shares) will be converted automatically into the right to receive $72.10 in cash, without interest and less any applicable withholding taxes, which amount we refer to as the per-share merger consideration. All shares converted into the right to receive the per-share merger consideration will automatically be cancelled at the effective time of the merger, and each certificate formerly representing any of the shares of Life Time common stock will thereafter represent only the right to receive the per-share merger consideration. As described further in The Merger Agreement Exchange and Payment Procedures beginning on page 94, at or immediately prior to the effective time of the merger, Parent will deposit or cause to be deposited cash sufficient to pay the aggregate per-share merger consideration with a designated paying agent. Following completion of the merger, after a shareholder has provided the paying agent with his or her stock certificates (or, with respect to shares held in book-entry form, an agent s message with respect to such shares) and the other items specified by the paying agent, the paying agent will promptly pay the shareholder the per-share merger consideration.

After the merger is completed, under the terms of the merger agreement, you will have the right to receive the per-share merger consideration, but you will no longer have any rights as a Life Time shareholder as a result of the merger (except that shareholders who properly perfect their demand for dissenters rights will have the right to receive a payment for the fair value of their shares as contemplated by Minnesota law, as described below under The Merger Dissenters Rights beginning on page 84).

Treatment of Equity Awards; Employee Stock Purchase Plan (page 74)

The merger agreement provides for the following treatment of equity and equity-based awards relating to Life Time common stock:

Stock Options

Effective as of the effective time of the merger, each then-outstanding option to purchase shares of Life Time common stock, whether or not vested, will be cancelled and converted into the right to receive an amount in cash equal to the product of (i) the total number of shares of Life Time common stock subject to the option and (ii) the amount, if any, by which the per-share merger consideration exceeds the exercise price per share of Life Time common stock underlying the stock option (less any applicable withholding taxes).

Restricted Stock

Effective as of the effective time of the merger, each then-outstanding share of restricted Life Time common stock, which we refer to as restricted stock, including shares of restricted stock subject to time-based or performance-based vesting, will become fully vested and will be considered to be an outstanding share of Life Time common stock for purposes of the merger agreement that will entitle the holder to receive an amount in cash equal to the per-share merger consideration (less any applicable withholding taxes) in accordance with the same terms and conditions as applied to holders of Life Time common stock generally.

Employee Stock Purchase Plan

No new offering period will commence under Life Time s Employee Stock Purchase Plan, which we refer to as the ESPP, following completion of the offering period in progress as of the date of the merger agreement. The ESPP will be terminated as of the effective time of the merger, provided that if the effective time of the merger has not occurred by June 30, 2015, the end of the current offering period, the ESPP will then be suspended until the effective time of

the merger, at which time it will be terminated.

If the effective time of the merger occurs on or before June 30, 2015, Life Time will pay to each participant in the current offering period an amount (not less than zero) in cash equal to the per-share merger consideration multiplied by (i) the result obtained by dividing the amount of the payroll deductions credited to such

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participant s account pursuant to the ESPP as of the last day of the current offering period by (ii) the purchase price (as defined by the ESPP). If the effective time of the merger occurs on or after July 1, 2015, Life Time will issue shares of Life Time common stock to the participants in the current offering period in accordance with its terms as of the end of the current offering period and the participants will receive the per-share merger consideration for each such share the participant holds as of the effective time of the merger.

Recommendation of Our Board of Directors and Reasons for the Merger (page 47)

Our board of directors, which we refer to as the Board, acting upon the recommendation of a special committee of the Board consisting entirely of independent and disinterested directors, which we refer to as the Special Committee, and after considering various factors described in the section entitled The Merger Recommendation of Our Board of Directors and Reasons for the Merger, unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, advisable and in the best interests of Life Time and its shareholders, declared the merger agreement advisable under Minnesota law and approved, adopted and authorized the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The Board unanimously recommends that you vote (i) **FOR** the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Opinions of Financial Advisors (page 53)

Guggenheim Securities

Guggenheim Securities, LLC, which we refer to as Guggenheim Securities, delivered its opinion to the Special Committee and the Board to the effect that, as of March 15, 2015 and based on the matters considered, the procedures followed, the assumptions made and various limitations of and qualifications to the review undertaken, the per-share merger consideration in connection with the merger was fair, from a financial point of view, to the holders of shares of common stock, par value $0.02 per share, of Life Time, other than shares held by a specified member of the Company s management, which we refer to as the rollover shares, being contributed to Parent, which we refer to as the rollover. The full text of Guggenheim Securities written opinion, which is attached as Appendix C to this proxy statement and which you should read carefully and in its entirety, is subject to the assumptions, limitations, qualifications and other conditions contained in such opinion and is necessarily based on economic, capital markets and other conditions, and the information made available to Guggenheim Securities, as of the date of such opinion.

Guggenheim Securities opinion was provided to the Special Committee and the Board (in their capacity as such) for their information and assistance in connection with their evaluation of the per-share merger consideration, did not constitute a recommendation to the Special Committee or Board with respect to the merger and does not constitute advice or a recommendation to any holder of Life Time common stock as to how to vote in connection with the merger or otherwise. Guggenheim Securities opinion addresses only the fairness, from a financial point of view, of the per-share merger consideration to the shareholders of Life Time, excluding the holders of the rollover shares, in connection with the merger and does not address any other term or aspect of the merger, the merger agreement or any other agreement, transaction document or instrument contemplated by the merger agreement or to be entered into or amended in connection with the merger or any financing or other transactions related thereto.

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More specifically, Guggenheim Securities opinion (i) did not address Life Time s underlying business or financial decision to pursue the merger, the relative merits of the merger as compared to any alternative business or financial strategies that might exist for Life Time, the financing of the merger or the effects of any other transaction in which Life Time might engage; (ii) addressed only the fairness, from a financial point of view, to Life Time s shareholders of the per-share merger consideration pursuant to the merger agreement, excluding the holders of the rollover shares; (iii) expressed no view or opinion as to (a) any other term or aspect of the merger, the merger agreement or any other agreement, transaction document or instrument contemplated by the merger agreement or to be entered into or amended in connection with the merger, or (b) the fairness, financial or otherwise, of the rollover, or the fairness, financial or otherwise, of the merger to, or of any consideration to be paid to or received by, the holders of any class of securities (except as set forth in clause (ii) of this paragraph), creditors or other constituencies of Life Time or the holders of the rollover shares; (iv) expressed no view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of Life Time s officers, directors or employees, or any class of such persons, in connection with the merger relative to the per-share merger consideration pursuant to the merger agreement or otherwise; and (v) did not constitute a solvency opinion or a fair value opinion, and Guggenheim Securities did not evaluate the solvency or fair value of Life Time under any relevant laws relating to bankruptcy, insolvency or similar matters.

Wells Fargo Securities

In connection with the merger, on March 15, 2015, Wells Fargo Securities, LLC, which we refer to as Wells Fargo Securities, rendered its opinion to the Special Committee (which was subsequently confirmed in writing by delivery of a written opinion to the Board and Special Committee dated March 15, 2015), that, as of March 15, 2015, and based on and subject to various assumptions made, procedures followed, matters considered and limitations on the review undertaken by Wells Fargo Securities in connection with the opinion, the experience of its investment bankers and other factors it deemed relevant, the merger consideration to be received by holders of Life Time common stock (excluding the excluded shares) pursuant to the merger agreement was fair, from a financial point of view, to such holders.

The full text of Wells Fargo Securities written opinion, dated March 15, 2015, to the Board and the Special Committee is attached as Appendix D to this proxy statement and sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken by Wells Fargo Securities in rendering its opinion. Wells Fargo Securities provided its opinion for the information and use of the Board and the Special Committee (in their capacity as such) in connection with their evaluation of the merger. Wells Fargo Securities opinion does not address the merits of the underlying decision by Life Time to enter into the merger agreement or the relative merits of the merger compared with other business strategies or transactions available or that have been or might be considered by Life Time s management, the Board or the Special Committee or in which Life Time might engage. Wells Fargo Securities opinion also did not and does not constitute a recommendation to the Board, the Special Committee or to any other person or entity in respect of the merger or otherwise, including, without limitation, as to how a stockholder of Life Time should vote or act in connection with any matter relating to the merger, the merger agreement or any other matters. See the section entitled Opinion of Wells Fargo Securities beginning on page 62 of this proxy statement for additional information.

Interests of the Directors and Executive Officers of Life Time in the Merger (page 72)

When considering the recommendation of the Board that you vote for the proposal to approve and adopt the merger agreement, you should be aware that certain of our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a shareholder. The Special Committee was aware of these interests and considered them, among other matters, in evaluating and overseeing the negotiation of the merger

agreement, and in recommending that the Board approve the merger agreement and the merger. The Board was also aware of these interests in approving the merger agreement and the merger and in

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recommending that the merger agreement be approved and adopted by the shareholders of Life Time. These interests include the following:

- Agreements between Parent and Mr. Akradi, pursuant to which he will (i) serve as the chairman of the board, chief executive officer and president of the surviving company following the closing of the merger; (ii) be entitled to participate in an equity incentive plan to be adopted by Parent following the closing of the merger, consisting of stock options and restricted stock grants; (iii) contribute to Parent up to $125 million of Life Time common stock in exchange for shares of Parent; (iv) vote in favor of the proposal to approve and adopt the merger agreement and any related proposals at the special meeting; and (v) vote against any alternative proposal or any proposal relating to an alternative proposal.

- Accelerated vesting of stock options and shares of restricted stock, and the settlement of those awards in exchange for cash in the amounts specified in this proxy statement;

- The entitlement of certain of Life Time s executive officers to receive severance payments and benefits under their respective executive employment agreements in the event the officer s employment is terminated on or following the closing of the merger either by the surviving company without cause or by the officer for good reason; and

- Continued indemnification and directors and officers liability insurance to be provided by the surviving company.

If the proposal to approve and adopt the merger agreement is approved by our shareholders and the merger closes, any shares of Life Time common stock held by our directors and executive officers will be treated in the same manner as outstanding shares of Life Time common stock held by all other Life Time shareholders entitled to receive the per-share merger consideration.

Financing of the Merger (page 78)

We anticipate that the total amount of funds necessary to consummate the merger and the related transactions will be approximately $3,790,788,594, including the funds needed to (i) pay our shareholders the amounts due to them under the merger agreement; (ii) make payments in respect of Life Time s outstanding stock options and restricted stock pursuant to the merger agreement; (iii) refinance or otherwise discharge certain outstanding indebtedness of Life Time, including indebtedness that will come due or otherwise be repaid or repurchased as a result of the merger; and (iv) pay all fees and expenses payable by Parent and Merger Sub under the merger agreement and in connection with the debt financing under the debt commitment letters described below. This amount will be funded through a combination of up to approximately $1.75 billion in equity financing under the equity commitment letters described below, up to $2.747 billion in debt financing under the debt commitment letter described below, which we refer to collectively as the financing letters, and Life Time s cash and cash equivalents on hand at closing.

In connection with the financing of the merger, Parent has entered into an equity commitment letter, dated as of March 15, 2015, which we refer to as the LGP equity commitment letter, with Green Equity Investors VI, L.P. and Green Equity Investors Side VI, L.P., which are funds affiliated with Leonard Green, which we refer to as the LGP funds, and an equity commitment letter, dated as of March 15, 2015, which we refer to as the TPG equity commitment

letter and, together with the LGP equity commitment letter, the equity commitment letters, with TPG Partners VII, L.P., which is a fund affiliated with TPG, which we refer to as the TPG fund and, together with the LGP funds, as the equity investors. Pursuant to the LGP equity commitment letter, the LGP funds have committed, on a several (not joint and several) basis, to purchase, and/or through one or more of their affiliated entities or co-investors, cause the purchase of equity securities of Parent, at or prior to the closing of the merger, for an amount equal to approximately $879 million in the aggregate. Each LGP fund may allocate all or a portion of its equity commitment to other investors. However, the allocation of any portion of the LGP equity

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commitment to other investors will reduce such LGP fund s commitment to make or secure capital contributions pursuant to the LGP equity commitment letter only by the amount actually contributed to Parent by such other investors at or prior to the closing of the merger for the purpose of funding a portion of the merger consideration and that is so applied.

Pursuant to the TPG equity commitment letter, the TPG fund has committed to purchase, and/or through one or more of its affiliated entities or co-investors, cause the purchase of equity securities of Parent, at or prior to the closing of the merger, for an amount equal to approximately $879 million. The TPG fund may allocate all or a portion of its equity commitment to other investors. However, the allocation of any portion of the TPG equity commitment to other investors will reduce the TPG fund s commitment to make or secure capital contributions pursuant to the TPG equity commitment letter only by the amount actually contributed to Parent by such other investors at or prior to the closing of the merger for the purpose of funding a portion of the merger consideration and that is so applied.

In connection with the financing of the merger, Parent has also received a commitment letter, dated as of March 15, 2015, as amended and restated on April 3, 2015, which, along with the related fee letter, we refer to as the debt commitment letter, from Deutsche Bank AG New York Branch, Deutsche Bank AG Cayman Islands Branch, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Jefferies Finance LLC, Bank of Montreal, BMO Capital Markets Corp., Royal Bank of Canada, MIHI LLC, Macquarie Capital (USA) Inc., Nomura Securities International, Inc., Mizuho Bank, LTD. and U.S. Bank, National Association, which we refer to as the debt financing sources.

The funding under the financing letters is subject to certain customary conditions, including conditions that do not relate directly to the merger agreement. We believe the amounts committed under the financing letters will be sufficient to complete the transactions contemplated by the merger agreement, but we cannot be assured that the full amount of financing will be available or that the committed financing will be sufficient to complete the transactions contemplated by the merger agreement. The amounts committed might be insufficient if, among other things, one or more of the parties to the financing letters fails to fund the committed amounts in breach of such financing letters or if the conditions to the commitments to fund the amounts set forth in such financing letters are not met. The failure of Parent and Merger Sub to obtain any portion of the committed financing (or any alternate financing) is likely to result in the failure of the merger to be consummated. In that case, Parent may be obligated to pay a reverse termination fee to Life Time, as described under The Merger Agreement Termination Fees beginning on page 109. Parent s obligation to pay the reverse termination fee is guaranteed pursuant to the guarantee (as described further below).

Limited Guarantee (page 83)

Pursuant to the limited guarantee delivered by the equity investors in favor of Life Time, dated as of March 15, 2015, which we refer to as the guarantee, each guarantor agreed to guarantee the due and punctual performance and discharge of its respective percentage, which we refer to as the guarantee percentage, of the following payment obligations of Parent and, where applicable, Merger Sub:

Parent s obligation to reimburse Life Time for all reasonable out-of-pocket costs incurred in connection with the debt financing and obtaining payoff letters for Life Time s existing company debt and liens;

Parent s and Merger Sub s obligation to indemnify Life Time, its affiliates, and representatives from and against all liabilities, obligations, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties incurred by them in connection with the equity and debt financings and delivery of the payoff

letters for Life Time s existing debt and liens;

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Parent s obligation to pay a reverse termination fee of $167 million to Life Time under certain circumstances; and

Parent s obligation to reimburse Life Time for all reasonable and documented out-of-pocket costs and expenses (including attorneys fees and expenses) in connection with any action against Parent to enforce its right to receive the reverse termination fee.

Each guarantor s aggregate liability under the guarantee is subject to a cap equal to such guarantor s guaranteed percentage of $169 million.

Employee Benefits (page 104)

The merger agreement provides for the following treatment with respect to those employees of Life Time and its subsidiaries who continue to be so employed following the effective time of the merger, who we refer to collectively as the continuing employees:

During the one-year period following the closing of the merger, each continuing employee will receive (i) at least the same base salary and the same annual bonus opportunity as was provided to the continuing employee by Life Time immediately prior to the effective time of the merger and (ii) employee benefits that are substantially comparable in the aggregate to those provided to the continuing employee by Life Time immediately prior to the effective time of the merger, provided that nothing requires Parent to provide such benefits in the form of equity or equity-based compensation;

Each continuing employee who incurs a termination of employment during the one-year period following the closing of the merger will receive severance benefits that are no less favorable than the severance benefits the continuing employee would have received upon such termination under Life Time s severance policies and practices in effect immediately prior to the effective time of the merger;

Each continuing employee will receive service credit for purposes of eligibility, vesting and determination of the level of benefits (including for purposes of vacation and severance, but not for purposes of benefit accruals under defined benefit pension plans) under any employee benefit plans maintained by Parent or the surviving company in which the continued employee participates, subject to certain exceptions; and

Parent has agreed to: (i) waive any preexisting condition limitations applicable to continuing employees and their eligible dependents under any Parent health benefit plans in which continuing employees may be eligible to participate following the closing of the merger; (ii) honor any deductible, co-payment and out-of-pocket maximums incurred by the continuing employees and their eligible dependents under the health plans in which they participated immediately prior to the closing date for purposes of satisfying any such amounts under any health plans of Parent or the surviving company in which they are eligible to participate following the closing; and (iii) waive any waiting period limitation or evidence of insurability requirement that would otherwise be applicable to a continuing employee and his or her eligible dependents on or after the closing date of the merger, subject to certain limitations.

Dissenters Rights (page 84)

If the merger is approved and becomes effective, holders of our common stock who do not vote their shares in favor of the merger will be entitled to statutory dissenters rights if they strictly comply with Sections 302A.471 and 302A.473 of the Minnesota Business Corporation Act, as amended. For a description of the rights of such holders and of the procedures to be followed in order to assert such rights and obtain payment of the fair value of

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their shares of stock, see Sections 302A.471 and 302A.473 of the Minnesota Business Corporation Act, copies of which are attached as Appendix B, as well as the information set forth below.

IN ORDER TO PERFECT DISSENTERS RIGHTS WITH RESPECT TO THE MERGER, A SHAREHOLDER MUST SEND A NOTICE TO LIFE TIME BEFORE THE DATE OF THE SPECIAL MEETING AND MUST NOT VOTE IN FAVOR OF THE PROPOSAL TO APPROVE THE MERGER BY PROXY OR OTHERWISE.

U.S. Federal Income Tax Consequences of the Merger (page 86)

The receipt of cash for shares of Life Time common stock pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. The receipt of cash by a U.S. Holder (as defined under The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 86) in exchange for such U.S. Holder s shares of Life Time common stock in the merger generally will result in the recognition of gain or loss in an amount measured by the difference between the cash such U.S. Holder receives in the merger and such U.S. Holder s adjusted tax basis in the shares of Life Time common stock surrendered in the merger. A Non-U.S. Holder (as defined under The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 86) generally will not be subject to U.S. federal income tax with respect to the exchange of our common stock for cash in the merger unless such Non-U.S. Holder has certain connections to the United States or holds greater than 5% of our common stock. Shareholders should refer to the discussion in the section entitled The Merger U.S. Federal Income Tax Consequences of the Merger, beginning on page 86 and consult their own tax advisors concerning the U.S. federal income tax consequences relating to the merger in light of their particular circumstances and any consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Regulatory Approvals Required for the Merger (page 88)

Under the merger agreement, the merger cannot be completed until the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the HSR Act, has expired or been terminated. Life Time and Parent and its affiliates filed their respective HSR Act notifications on March 27, 2015. On April 14, 2015, Life Time announced that it received early termination of the required waiting period under the HSR Act.

No Solicitation of Other Offers (page 100)

In the merger agreement, subject to certain exceptions, Life Time has agreed that it will not, directly or indirectly, among other things:

- Solicit, initiate or knowingly encourage or facilitate any inquiry or the making of an alternative proposal;
- Furnish non-public information to or afford access to the business, employees, officers, contracts, properties, assets, books and records of Life Time and its subsidiaries to any person that would reasonably be expected to lead to, or in connection with, an inquiry or an alternative proposal;
- Enter into, continue or maintain negotiations or discussions with any person with respect to an inquiry or an alternative proposal;

Cooperate with or assist or participate in or facilitate any discussions or negotiations regarding, or furnish or cause to be furnished to any person or Group any non-public information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes, or could be reasonably be expected to result in, an alternative proposal;

Approve, agree to, accept, endorse or recommend, or submit to a vote of its shareholders, any alternative proposal;

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Grant any waiver, amendment or release under any confidentiality or standstill agreement (or terminate or fail to use reasonable best efforts to enforce such agreement), provided that Life Time shall not be required to enforce, and shall be permitted to waive, any provision that prohibits or purports to prohibit a confidential proposal being made to the Board;

Effect any adverse recommendation change (as summarized below); or

Enter into any letter of intent or agreement in principle or any agreement providing for any alternative proposal (except for acceptable confidentiality agreements (as described below)).

Notwithstanding these restrictions, if at any time prior to the special meeting, Life Time receives an alternative proposal from a third party and such alternative proposal does not result from any willful breach by Life Time of the restrictions described above, then Life Time may, among other things, and at any time prior to the special meeting, enter into and maintain discussions or negotiations with any person with respect to such alternative proposal, and pursuant to the prior execution of an acceptable confidentiality agreement (as described below), furnish any information and afford access to Life Time and its subsidiaries business, employees and properties, to any person in response to such alternative proposal, subject to the Board first determining in good faith (after consultation with Life Time s financial advisors and legal counsel) that (i) the failure to take such action would be inconsistent with the directors exercise of their fiduciary duties under applicable law and (ii) such proposal either constitutes, or would reasonably be expected to lead to, a superior proposal (as described below).

For a further discussion of the limitations on solicitation of acquisition proposals from third parties, see The Merger Agreement No Solicitation of Other Offers beginning on page 100.

Adverse Recommendation Changes; Alternative Acquisition Agreements (page 102)

Under the merger agreement, subject to certain exceptions, the Board may not withdraw, qualify or modify, or propose publicly to withdraw, qualify or modify, in a manner adverse to Parent, its merger recommendation or take any action, or make any public statement, filing or release inconsistent with its merger recommendation including recommending against the merger recommendation or approving, endorsing or recommending any alternative proposal (each of the foregoing, we refer to as an adverse recommendation change) except as provided in the merger agreement.

Prior to the special meeting, and notwithstanding the restrictions described above in No Solicitation of Other Offers, the Board is permitted in certain circumstances and subject to Life Time s compliance with certain obligations (as summarized below), to (i) make an adverse recommendation change, and (ii) terminate the merger agreement and enter into a definitive written agreement providing for a superior proposal.

The Board is permitted to (i) make an adverse recommendation change in the event of an intervening event (as described below) or in the case of a superior proposal, and (ii) terminate the merger agreement to enter into a definitive written agreement providing for a superior proposal if such superior proposal does not result from a willful breach of the restrictions described above in No Solicitation of Other Offers, if, in each case, the Board determines in good faith (after consultation with its financial advisors and legal counsel) that the failure to take such action would be inconsistent with the directors exercise of their fiduciary duties under applicable law subject further to Life Time s compliance with certain notice and other requirements as set forth in the merger agreement.

For a further discussion of the limitations on effecting adverse recommendation changes, and terminating the merger agreement in connection with a superior proposal, see The Merger Agreement Adverse Recommendation Changes; Alternative Acquisition Agreements beginning on page 102.

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Conditions to the Closing of the Merger (page 107)

The parties expect to complete the merger after all of the conditions to the merger in the merger agreement are satisfied or waived. The parties currently expect to complete the merger in the second quarter of 2015. However, it is possible that factors outside of each party s control could require them to complete the merger at a later time or not to complete it at all. The following are some of the conditions that must be satisfied or, where permitted by law, waived before the merger may be consummated:

- The approval of the proposal to approve and adopt the merger agreement by the requisite affirmative vote of Life Time s shareholders;
- The expiration or termination of the applicable waiting period under the HSR Act (see The Merger Regulatory Approvals Required for the Merger beginning on page 88);
- The consummation of the merger not being restrained, enjoined, rendered illegal or otherwise prohibited by any law or order of any governmental authority;
- The accuracy of the representations and warranties of Life Time, Parent and Merger Sub in the merger agreement, subject in some instances to materiality or material adverse effect qualifiers, at and as of the closing date of the merger;
- The performance in all material respects by Life Time, on the one hand, and Parent and Merger Sub, on the other hand, of their respective obligations required to be performed by them under the merger agreement on or before the closing date of the merger; and
- Since the date of the merger agreement, there not having occurred any fact, circumstance, effect, change, event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Company material adverse effect (as described below).

Termination of the Merger Agreement (page 108)

In general, the merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after approval of the proposal to approve and adopt the merger agreement by the shareholders of Life Time, in the following ways:

- By mutual written consent of Parent and Life Time;
- By either Parent or Life Time:

If the merger has not been consummated on or before October 6, 2015, which date we refer to as the termination date;

If any governmental authority has, by law or order, permanently restrained, enjoined, rendered illegal or otherwise prohibited the transactions contemplated by the merger agreement and such law or order has become final or nonappealable; or

If Life Time s shareholders fail to approve the proposal to approve and adopt the merger agreement at the special meeting of shareholders, or any adjournment or postponement thereof, at which a vote on such proposal is taken; or

By Life Time:

If Parent or Merger Sub has breached any of their respective representations, warranties, covenants or other agreements in the merger agreement, which (i) would result in the failure of a related closing condition and (ii) is not capable of being cured, or is not cured, before the earlier of the termination date or the date that is 30 calendar days following Life Time s delivery of written notice of such breach;

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Prior to receiving the shareholder approval, if (i) the Board has, after complying with its obligations to notify and consult with Parent with respect to a superior proposal, authorized Life Time to enter into a definitive written agreement with respect to such superior proposal, (ii) Life Time enters into such an alternative acquisition agreement and (iii) Life Time pays to Parent the termination fee of $97 million under the merger agreement;

If (i) the marketing period (as described below) has ended and all of the conditions to Parent s and Merger Sub s obligation to consummate the merger are satisfied (other than those conditions that by their terms are to be satisfied at the closing, each of which are then capable of being satisfied at the closing) or, to the extent permitted by law, waived, (ii) Life Time has notified Parent in writing that it is ready and willing to consummate the merger and (iii) Parent and Merger Sub have failed to consummate the merger within three business days following Life Time s delivery of such notice; or

By Parent:

If Life Time has breached any of its representations, warranties, covenants or other agreements in the merger agreement such that specified conditions in the merger agreement, which (i) would result in the failure of a related closing condition and (ii) is not capable of being cured, or is not cured, before the earlier of the termination date or the date that is 30 calendar days following Parent s delivery of written notice of such breach; or

If at any time before receiving the shareholder approval, the Board makes an adverse recommendation change.

Termination Fees (page 109)

Under the merger agreement, Life Time may be required to pay to Parent a termination fee of $97 million if the merger agreement is terminated under specified circumstances.

Under the merger agreement, Parent may be required to pay to Life Time a reverse termination fee of $167 million if the merger agreement is terminated under specified circumstances. In no event will either Life Time or Parent be required to pay a termination fee more than once.

Expense Reimbursement (page 110)

If the merger agreement is terminated because Life Time s shareholders fail to approve the proposal to approve and adopt the merger agreement at the special meeting of shareholders, Life Time would be required to reimburse Parent up to $7 million in respect of certain costs and expenses reasonably incurred by Parent and Merger Sub in connection with the merger agreement and the transactions contemplated thereby. The amount of any termination fee paid by Life Time to Parent would be reduced by any such expense reimbursement amount previously paid.

Specific Performance (page 110)

Parent, Merger Sub and Life Time are entitled to an injunction or injunctions to prevent breaches or threatened breaches of the merger agreement and to enforce specifically the terms of the merger agreement in addition to any

other remedy to which they are entitled at law or in equity. Life Time is entitled to obtain specific performance or other equitable relief to cause the full proceeds of the equity financing contemplated by the equity commitment letters to be drawn down on the terms and subject to the conditions set forth in the equity commitment letters and the merger agreement and/or to cause Parent and/or Merger Sub to consummate the transactions contemplated by the merger agreement only upon the occurrence of certain events.

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Fees and Expenses (page 110)

Except in specified circumstances, whether or not the merger is consummated, Life Time and Parent are each responsible for all of their respective costs and expenses incurred in connection with the merger and the other transactions contemplated by the merger agreement.

Contribution and Subscription Agreement (page 89)

In connection with the merger agreement, Bahram Akradi, our Chairman, President, and Chief Executive Officer, entered into a contribution and subscription agreement (as amended), which we refer to as the contribution and subscription agreement, with Parent, pursuant to which, at the closing of the merger, Mr. Akradi will contribute to Parent up to $125 million of common stock of Life Time in exchange for shares of Parent. Upon the closing of the merger, Mr. Akradi is expected to beneficially own an indirect interest in Life Time of between approximately 7.4% and approximately 7.7%, without giving effect to any grants of restricted common stock of Parent or options to purchase common stock of Parent that Mr. Akradi is expected to receive following the closing of the merger as part of his employment arrangement with Parent. Mr. Akradi s indirect beneficial ownership in Life Time after the closing of the merger will be greater than his current beneficial ownership in Life Time due to the higher level of debt that will be included in Life Time s capitalization after the closing of the merger. Pursuant to the contribution and subscription agreement, at any time and from time to time prior to the closing of the merger, additional persons, including any of our executive officers, may be made parties to such contribution and subscription agreement and, immediately prior to the closing of the merger, such persons will contribute to Parent a number of shares of Life Time common stock with an agreed upon aggregate value, based on the per-share merger consideration, in exchange for shares of Parent.

Company Shareholder Voting Agreement (page 89)

In connection with the merger agreement, Mr. Akradi also entered into a voting agreement with Parent, pursuant to which he agreed to, among other things, vote his shares of Life Time common stock in favor of (i) the adoption of the merger agreement and approval of the merger and (ii) any proposal or action in respect of which approval of Life Time s shareholders is requested that could reasonably be expected to facilitate the merger and the other transactions contemplated by the merger agreement. Pursuant to such voting agreement, Mr. Akradi has also agreed to vote his shares of Life Time common stock against any alternative proposal or any proposal relating to an alternative proposal. Such voting agreement will terminate upon the earlier of (a) the effective time of the merger; (b) the date on which the merger agreement is terminated in accordance with its terms; and (c) the date on which the parties thereto terminate the voting agreement by mutual agreement.

Market Prices and Dividend Data (page 115)

Our common stock is listed on the NYSE under the symbol LTM. On March 13, 2015, the last trading day prior to the public announcement of the execution of the merger agreement, the closing price of our common stock on the NYSE was $67.20 per share. On April 27, 2015, the latest practicable trading day before the printing of this proxy statement, the closing price of our common stock on the NYSE was $71.56 per share.

Under the terms of the merger agreement, from the date of the merger agreement until the earlier of the effective time of the merger or the termination of the merger agreement, we may not declare or pay quarterly cash dividends to our common shareholders without Parent s written consent. Under our current dividend policy, we have never declared or paid any cash dividends on our common stock and have retained any future earnings to support operations and to finance the growth and development of our business.

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Legal Proceedings Regarding the Merger (page 89)

Following the announcement of the merger, a putative class and derivative action was filed on March 30, 2015 by a purported Life Time shareholder in the First Judicial District Court of the State of Minnesota, County of Carver, captioned *St. Clair County Employees Retirement System v. Life Time Fitness, Inc., et al.*, Case No. 10-CV-15-358. On April 22, 2015 plaintiff filed a First Amended Shareholder Derivative and Direct Class Action Complaint for Breach of Fiduciary Duties, Waste of Corporate Assets, and Abuse of Control, which we refer to as the Amended St. Clair Complaint.

Plaintiff purports to bring the litigation as a class action on behalf of the public shareholders of Life Time, and as a derivative action on behalf of nominal defendant Life Time. The Amended St. Clair Complaint names as defendants the members of the Board, Parent, Merger Sub, Leonard Green, TPG and LNK Partners, which we refer to as LNK. The Amended St. Clair Complaint names Life Time as a nominal defendant. The Amended St. Clair Complaint generally alleges that the Board breached its fiduciary duties to Life Time shareholders in connection with the merger because, among other reasons, the Board failed to fully inform itself of the market value of Life Time; the Board failed to maximize shareholder value; the Board failed to promptly form a committee of disinterested directors under Minnesota Statute section 302A.673; certain individual defendants are interested in the merger; and certain provisions in the merger agreement unfairly preclude a third party from making an offer for Life Time. The Amended St. Clair Complaint alleges that Mr. Akradi, Leonard Green, TPG and LNK aided and abetted the Board s alleged breaches of fiduciary duty. The Amended St. Clair Complaint also alleges that Life Time and the Board failed to disclose material information to stockholders in connection with the merger. In particular, among other things, the Amended St. Clair Complaint alleges that Life Time and the Board failed to disclose material information in the Preliminary Proxy Statement on Form 14A filed on April 3, 2015, which we refer to as the Preliminary Proxy, regarding the background of the merger and financial information that shareholders need to fully consider the merits of the merger. The Amended St. Clair Complaint seeks, among other things, equitable relief under Minnesota Statute section 302A.467, including to enjoin the closing of the merger, to direct disclosure of all material information concerning the merger prior to the shareholder vote, and to award plaintiff s costs and disbursements, including attorneys fees. Life Time and the Board believe that the action is without merit, and intend to vigorously defend against all claims asserted.

On April 8, 2015, a second putative class action was filed by a purported Life Time shareholder in the First Judicial District Court of the State of Minnesota, County of Carver, captioned *Bell v. Akradi, et al.*, Case No. 10-CV-15-392.

Plaintiff purports to bring the litigation as a class action on behalf of the public shareholders of Life Time. The complaint names as defendants Life Time, the members of the Board, Parent, Merger Sub, Leonard Green, TPG and LNK. The complaint generally alleges that the Board breached its fiduciary duties to Life Time shareholders in connection with the merger because, among other reasons, the terms of the merger are not entirely fair to Life Time shareholders in terms of price or process; the Board retained conflicted financial advisors in connection with the merger; certain individual defendants are interested in the merger; and certain provisions in the merger agreement unfairly preclude a third party from making an offer for Life Time. The complaint also alleges that Life Time and the Board failed to disclose material information to stockholders in connection with the merger. In particular, among other things, the complaint alleges that Life Time and the Board failed to disclose material information in the Preliminary Proxy, regarding the background of the merger and financial information that shareholders need to fully consider the merits of the merger. The complaint also alleges that Parent, Merger Sub, Leonard Green, TPG and LNK aided and abetted the Board s alleged breaches of fiduciary duty. The complaint further alleges violations of Minnesota Business Corporation Act sections 302A.467 and 302A.255, as well as violations of the Minnesota Securities Act section 80A.68, section 80A.69, and section 80A.76. The complaint seeks, among other things, to enjoin the closing of the merger, to award unspecified damages, and to award plaintiff s costs and disbursements, including attorneys fees. Life Time and the Board believe that the action is without merit, and intend to vigorously defend against all claims

asserted.

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On April 10, 2015, a third putative class action was filed by a purported Life Time shareholder in the United States District Court for the District of Minnesota, captioned *Lusk v. Life Time Fitness, Inc., et al.*, Case No. 0:15-cv-01911.

Plaintiff purports to bring the litigation as a class action on behalf of the shareholders of Life Time. The complaint names as defendants Life Time and the members of the Board. The complaint alleges that Life Time and the Board violated Section 14(a) of Exchange Act and Rule 14a-9 promulgated thereunder, and that the Board violated Section 20(a) of the Exchange Act because the Preliminary Proxy is allegedly false and materially misleading. In particular, the complaint alleges that Life Time and the Board failed to disclose material information in the Preliminary Proxy regarding the background of the merger and financial information that shareholders need to fully consider the merits of the merger. The complaint seeks, among other things, to enjoin the closing of the merger, to award unspecified damages, and to award plaintiff s costs, including attorneys fees. Life Time and the Board believe that the action is without merit, and intend to vigorously defend against all claims asserted.

These shareholder actions are in their early stages, and thus Life Time is unable to reasonably estimate any potential material loss in the event of an unfavorable outcome in one or more of these actions. While they could impact consummation of the transactions contemplated by the merger agreement, Life Time and the Board intend to vigorously defend the actions, denying any violations of state or federal law alleged therein.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers may not address all questions that may be important to you as a shareholder of Life Time. Please refer to the Summary and the more detailed information contained elsewhere in this proxy statement, the appendices to this proxy statement and the documents incorporated by reference or referred to in this proxy statement, which you should read carefully and in their entirety.

Q: Why am I receiving these materials?

A: The Board is furnishing this proxy statement and form of proxy card to the holders of Life Time common stock in connection with the solicitation of proxies to be voted at a special meeting of shareholders or at any adjournments or postponements of the special meeting.

Q: When and where is the special meeting?

A: The special meeting will take place on June 4, 2015 at our offices at 2902 Corporate Place, Chanhassen, Minnesota 55317, at 9:00 a.m., Central Time.

Q: Who is entitled to vote at the special meeting?

A: Only shareholders of record as of the close of business on April 27, 2015 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournments or postponements thereof. Each holder of Life Time common stock is entitled to cast one vote on each matter properly brought before the special meeting for each share of Life Time common stock that such holder owned as of the record date.

Q: May I attend the special meeting and vote in person?

A: Yes. All shareholders as of the record date may attend the special meeting and vote in person. Seating will be limited. Shareholders will need to present proof of ownership of Life Time common stock, such as a bank or brokerage account statement, and a form of personal identification to be admitted to the special meeting. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the special meeting. Even if you plan to attend the special meeting in person, we encourage you to complete, sign, date and return the enclosed proxy or vote electronically over the Internet or via telephone to ensure that your shares will be represented at the special meeting. If you attend the special meeting and wish to vote in person, you must deliver to our Secretary a written revocation of any proxy you previously submitted, as your vote by ballot will not revoke any proxy previously submitted. If you hold your shares in street name, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your broker, bank or other nominee.

Q: What am I being asked to vote on at the special meeting?

A: You are being asked to consider and vote on the following proposals:

To approve and adopt the merger agreement, pursuant to which Merger Sub will merge with and into Life Time, and Life Time will become an indirect, wholly owned subsidiary of Parent;

To approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and

To approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

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Q: What is the proposed merger and what effects will it have on Life Time?

A: The proposed merger is the acquisition of Life Time by Parent pursuant to the merger agreement. If the proposal to approve and adopt the merger agreement is approved by the holders of Life Time common stock and the other closing conditions under the merger agreement have been satisfied or waived, Merger Sub will merge with and into Life Time, with Life Time continuing as the surviving company. As a result of the merger, Life Time will become an indirect, wholly owned subsidiary of Parent. Life Time will cooperate with Parent to de-list our common stock from the NYSE and de-register under the Exchange Act as soon as reasonably practicable following the effective time of the merger, and at such time, we will no longer be a publicly traded company and will no longer file periodic reports with the SEC. If the merger is consummated, you will not own any shares of the capital stock of the surviving company.

Q: What will I receive if the merger is completed?

A: Upon completion of the merger, you will be entitled to receive the per-share merger consideration of $72.10 in cash, without interest and less any applicable withholding taxes, for each share of common stock that you own, unless you have properly perfected and not withdrawn your dissenters rights under the Minnesota Business Corporation Act with respect to such shares. For example, if you own 100 shares of common stock, you will receive $7,210 in cash in exchange for your shares of common stock, less any applicable withholding taxes. In either case, you will not own shares in the surviving company.

Q: How does the per-share merger consideration compare to the market price of Life Time common stock prior to the public announcement of the merger agreement?

A: The per-share merger consideration represents a premium of (i) approximately 73% to Life Time s closing stock price on August 22, 2014, the last trading day prior to Life Time s public announcement that the Board and senior management team had initiated a process to explore a potential conversion of Life Time s real estate assets into a real estate investment trust, or REIT; (ii) approximately 22% over the volume weighted average share price of the common stock during the 90 days ended March 13, 2015, the last trading day before the merger agreement was signed; (iii) approximately 25% over the closing share price on March 5, 2015, the last trading day before the publication of articles suggesting that Life Time was for sale; and (iv) approximately 7% over the closing share price on March 13, 2015. Life Time s common stock has never traded at prices higher than the per-share merger consideration of $72.10 since Life Time went public in 2004.

Q: What do I need to do now?

A: We encourage you to read this proxy statement, the appendices to this proxy statement, including the merger agreement, and the documents we refer to in this proxy statement carefully and consider how the merger affects you. Then complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope or grant your proxy electronically over the Internet or by telephone, so that your shares can be voted at the special meeting. If you hold your shares in street name, please refer to the voting instruction forms

provided by your broker, bank or other nominee to vote your shares.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, under the terms of the merger agreement, you will receive shortly thereafter a letter of transmittal instructing you to send your stock certificates to the paying agent in order to receive the cash payment of the per-share merger consideration for each share of our common stock represented by the stock certificates. You should use the letter of transmittal to exchange your stock certificates for the cash payment to which you are entitled upon completion of the merger. **Please do not send in your stock certificates now.**

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Q: What happens if I sell or otherwise transfer my shares of Life Time common stock after the record date but before the special meeting?

A: The record date for the special meeting is earlier than the date of the special meeting and the date the merger is expected to be completed. If you sell or transfer your shares of our common stock after the record date but before the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or otherwise transfer your shares and each of you notifies Life Time in writing of such special arrangements, you will transfer the right to receive the per-share merger consideration, if the merger is completed, to the person to whom you sell or transfer your shares of our common stock, but you will retain your right to vote these shares at the special meeting. **Even if you sell or otherwise transfer your shares of common stock after the record date, we encourage you to complete, date, sign and return the enclosed proxy or vote via the Internet or telephone.**

Q How does Life Time s Board of Directors recommend that I vote?

A: After consideration of, and based upon, the Special Committee s recommendation, our Board of Directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to, advisable and in the best interests of Life Time and its shareholders, declared the merger agreement advisable under Minnesota law and approved, adopted and authorized the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The Board unanimously recommends that you vote (i) **FOR** the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by Life Time shareholders or if the merger is not consummated for any other reason, Life Time shareholders will not receive any payment for their shares of common stock. Instead, Life Time will remain a public company, the common stock will continue to be listed and traded on the NYSE and registered under the Exchange Act and we will continue to file periodic reports with the SEC.

Under specified circumstances, Life Time may be required to reimburse certain of Parent s expenses incurred in respect of the transactions contemplated by the merger agreement or pay Parent a termination fee, or may be entitled to receive a reverse termination fee from Parent, upon the termination of the merger agreement, as described under The Merger Agreement Termination Fees beginning on page 109 and The Merger Agreement Expense Reimbursement beginning on page 110.

Q:

Do any of Life Time s directors or officers have interests in the merger that may differ from those of Life Time shareholders generally?

A: In considering the recommendation of the Board with respect to the proposal to approve and adopt the merger agreement, you should be aware that certain of our directors and executive officers may have interests in the merger that are different from, or in addition to, your interests as a shareholder. The Special Committee was aware of these interests and considered them, among other matters, in evaluating and overseeing the negotiation of the merger agreement, and in recommending that the Board approve the merger agreement and the merger. The Board was also aware of these interests in approving the merger agreement and the merger and in recommending that the merger agreement be approved and adopted by the

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shareholders of Life Time. For a description of the interests of our directors and executive officers in the merger, see The Merger Interests of the Directors and Executive Officers of Life Time in the Merger beginning on page 72.

Q: What vote is required to approve and adopt the merger agreement?

A: The affirmative vote of the holders of a majority of the voting power of all shares of our common stock entitled to vote at the special meeting is required to approve the proposal to approve and adopt the merger agreement. The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will result in a broker non-vote and will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement. Abstentions will have the same effect as a vote **AGAINST** the proposal to approve and adopt the merger agreement.

As of April 27, 2015, the record date for determining who is entitled to vote at the special meeting, there were 39,043,889 shares of Life Time common stock issued and outstanding. Each holder of Life Time common stock is entitled to one vote per share of stock owned by such holder as of the record date.

Q: What vote is required to approve the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger?

A: Approval of the proposal to approve one or more adjournments of the special meeting, whether or not a quorum is present, requires the affirmative vote of a majority of the voting power of all shares of our common stock represented at the special meeting, either in person or by proxy, and entitled to vote at the special meeting. Approval of the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger requires the affirmative vote of a majority of the voting power of all shares of our common stock represented at the special meeting, in person or by proxy, and entitled to vote at the special meeting. The failure of any shareholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger. If you hold your shares in street name, the failure to instruct your broker, bank or other nominee on how to vote your shares will result in a broker non-vote and will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger. Abstentions will have the same effect as a vote **AGAINST** the adjournment proposal and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Q: What is a quorum?

A: The holders of a majority of the voting power of all shares of our common stock entitled to vote at a special meeting, either present in person or represented by proxy, will constitute a quorum at the special meeting. If a quorum is not present, the affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote at the meeting may adjourn the meeting until a quorum is present.

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Q: What is the difference between holding shares as a shareholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services, you are considered, with respect to those shares, to be the shareholder of record. In this case, this proxy statement and your proxy card have been sent directly to you by Life Time.

If your shares are held through a broker, bank or other nominee, you are considered the beneficial owner of the shares of Life Time common stock held in street name. In that case, this proxy statement has been forwarded to you by your broker, bank or other nominee who is considered, with respect to those shares, to be the shareholder of record. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares by following their instructions for voting. You are also invited to attend the special meeting. However, because you are not the shareholder of record, you may not vote your shares in person at the special meeting unless you request and obtain a valid proxy from your broker, bank or other nominee.

Q: How may I vote?

A: If you are a shareholder of record (that is, if your shares of common stock are registered in your name with Wells Fargo Shareowner Services, our transfer agent), there are four ways to vote:

By attending the special meeting and voting in person by ballot;

By visiting the Internet at the address on your proxy card;

By calling toll-free (within the U.S. or Canada) at the phone number on your proxy card; or

By completing, dating, signing and returning the enclosed proxy card in the accompanying prepaid reply envelope.

A control number, located on your proxy card, is designed to verify your identity and allow you to vote your shares of common stock, and to confirm that your voting instructions have been properly recorded when voting electronically over the Internet or by telephone. Please be aware that, although there is no charge for voting your shares, if you vote electronically over the Internet or by telephone, you may incur costs such as telephone and Internet access charges for which you will be responsible.

Even if you plan to attend the special meeting in person, you are strongly encouraged to vote your shares of common stock by proxy. If you are a record holder or if you obtain a valid proxy to vote shares which you beneficially own, you may still vote your shares of common stock in person at the special meeting if you deliver to our Secretary a written revocation of any proxy you previously submitted.

If your shares are held in street name through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or electronically over the Internet or by telephone through your broker, bank or other nominee if such a service is

provided. To vote via the Internet or via telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or nominee.

Q: If my broker holds my shares in street name, will my broker vote my shares for me?

A: Not without your direction. Your broker, bank or other nominee will only be permitted to vote your shares on any proposal if you instruct your broker, bank or other nominee on how to vote. Under applicable stock exchange rules, brokers, banks or other nominees have the discretion to vote your shares on routine matters if you fail to instruct your broker, bank or other nominee on how to vote your shares with respect to such matters. The proposals in this proxy statement are non-routine matters, and brokers, banks and other nominees therefore cannot vote on these proposals without your instructions. Therefore, it is important that you instruct your broker, bank or nominee on how you wish to vote your shares.

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You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares of Life Time common stock. Without instructions, a broker non-vote will result, and your shares will not be voted. A broker non-vote will have the same effect as if you voted against the proposal to approve and adopt the merger agreement, but will have no effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Q: May I change my vote after I have mailed my signed proxy card or otherwise submitted my vote by proxy?

A: Yes. If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;

Delivering a written notice of revocation to our Secretary;

Signing another proxy card with a later date and returning it to us prior to the special meeting; or

Attending the special meeting, revoking your proxy by delivering notice of revocation to our Secretary, and voting in person.

If you hold your shares of common stock in street name, you should contact your broker, bank or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your broker, bank or other nominee.

Q: What is a proxy?

A: A proxy is your legal designation of another person, referred to as a proxy, to vote your shares of Life Time common stock. The written document describing the matters to be considered and voted on at the special meeting is called a proxy statement. The document used to designate a proxy to vote your shares of Life Time common stock is called a proxy card. The Board has designated Bahram Akradi and Eric Buss, and each of them with full power of substitution, as proxies for the special meeting.

Q: If a shareholder gives a proxy, how are the shares voted?

A:

Regardless of the method you choose to vote, the individuals named on the enclosed proxy card, or your proxies, will vote your shares in the way that you indicate. When completing the Internet or telephone process or the proxy card, you may specify whether your shares should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares should be voted on a matter, the shares represented by your properly signed proxy will be voted (i) **FOR** the proposal to approve and adopt the merger agreement; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a shareholder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, date, sign and return (or vote via the Internet or telephone with respect to) each proxy card and voting instruction card that you receive.

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Q: Who will count the votes?

A: The votes will be counted by the independent inspector of election appointed for the special meeting.

Q: Where can I find the voting results of the special meeting?

A: Life Time intends to announce preliminary voting results at the special meeting and publish final results in a Current Report on Form 8-K that will be filed with the SEC following the special meeting. All reports that Life Time files with the SEC are publicly available when filed. See Where You Can Find More Information beginning on page 119 of this proxy statement.

Q: Will I be subject to U.S. federal income tax upon the exchange of Life Time common stock for cash pursuant to the merger?

A: If you are a U.S. Holder (as defined under The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 86), the exchange of Life Time common stock for cash pursuant to the merger generally will require a U.S. Holder to recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash received by such U.S. Holder pursuant to the merger and such U.S. Holder s adjusted tax basis in the shares of our common stock surrendered pursuant to the merger. A Non-U.S. Holder (as defined under The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 86) generally will not be subject to U.S. federal income tax with respect to the exchange of our common stock for cash in the merger unless such Non-U.S. Holder has certain connections to the United States or holds more than 5% of the outstanding Life Time common stock. Because particular circumstances may differ, we recommend that you consult your own tax advisor to determine the U.S. federal income tax consequences relating to the merger in light of your own particular circumstances and any consequences arising under the laws of any state, local or foreign taxing jurisdiction. A more complete description of the U.S. federal income tax consequences of the merger is provided under The Merger U.S. Federal Income Tax Consequences of the Merger beginning on page 86 of this proxy statement.

Q: What will the holders of Life Time stock options and restricted stock and the participants in the ESPP receive in the merger?

A: At the effective time of the merger, each then-outstanding option to purchase shares of Life Time common stock, whether or not vested, will be cancelled and converted into the right to receive an amount in cash equal to the product of (i) the total number of shares of Life Time common stock subject to the option and (ii) the amount, if any, by which the per-share merger consideration exceeds the exercise price per share of Life Time common stock underlying the stock option (less any applicable withholding taxes).

At the effective time of the merger, each then-outstanding share of restricted stock will become fully vested and will be considered to be an outstanding share of Life Time common stock for purposes of the merger agreement that will entitle the holder to receive an amount of cash equal to the per-share merger consideration (less any applicable withholding taxes) in accordance with the same terms and conditions as applied to holders of Life Time common

stock generally.

If the effective time of the merger occurs on or before June 30, 2015, which is the end of the current ESPP offering period, Life Time will pay to each participant in the current offering period an amount (not less than zero) in cash equal to the per-share merger consideration multiplied by (i) the result obtained by dividing the amount of the payroll deductions credited to such participant s account pursuant to the ESPP as of the last day of the current offering period by (ii) the purchase price (as defined by the ESPP). If the effective time of the merger occurs on or after July 1, 2015, Life Time will issue shares of Life Time common stock to the participants in the ESPP in accordance with its terms as of the end of the current offering period and the participants will receive the per-share merger consideration for each such share the participant holds as of the effective time of the merger.

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Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible and currently expect to consummate the merger in the second quarter of 2015. However, the exact timing of completion of the merger cannot be predicted because the merger is subject to conditions, including adoption of the merger agreement by our shareholders and the receipt of regulatory approvals.

Q: Am I entitled to dissenters rights under the Minnesota Business Corporation Act?

A: Yes. As a holder of Life Time s common stock, you are entitled to exercise dissenters rights under the Minnesota Business Corporation Act in connection with the merger if you take certain actions and meet certain conditions. See The Merger Dissenters Rights beginning on page 84.

Q: What is householding and how does it affect me?

A: The SEC permits companies to send a single set of proxy materials to any household at which two or more stockholders reside, unless contrary instructions have been received, but only if the applicable company provides advance notice and follows certain procedures. In such cases, each shareholder continues to receive a separate notice of the meeting and proxy card. Certain brokerage firms may have instituted householding for beneficial owners of shares of Life Time common stock held through brokerage firms. If your family has multiple accounts holding shares of Life Time common stock, you may have already received householding notification from your broker. Please contact your broker directly if you have any questions or require additional copies of this proxy statement. The broker will arrange for delivery of a separate copy of this proxy statement promptly upon your written or oral request. You may decide at any time to revoke your decision to household, and thereby receive multiple copies.

Q: Who can help answer my questions?

A: If you have any questions concerning the merger, the special meeting or this proxy statement, would like additional copies of this proxy statement or need help voting your shares of common stock, please contact our proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Email: proxy@mackenziepartners.com

Call collect: (212) 929-5500

Call toll-free: (800) 322-2885

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THE SPECIAL MEETING

The enclosed proxy is solicited on behalf of the Board for use at the special meeting of shareholders or at any adjournments or postponements thereof.

Date, Time and Place

We will hold the special meeting on June 4, 2015 at our offices at 2902 Corporate Place, Chanhassen, Minnesota 55317, at 9:00 a.m., Central Time.

Purpose of the Special Meeting

At the special meeting, we will ask our shareholders of record as of the record date to vote on proposals to (i) approve and adopt the merger agreement; (ii) approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Record Date; Shares Entitled to Vote; Quorum

Only shareholders of record as of the close of business on April 27, 2015 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournments or postponements thereof. A list of shareholders entitled to vote at the special meeting will be available in our offices located at 2902 Corporate Place, Chanhassen, Minnesota 55317, during regular business hours for a period of at least ten days before the special meeting and at the place of the special meeting during the meeting.

As of the record date, there were 39,043,889 shares of our common stock outstanding and entitled to be voted at the special meeting.

A quorum of shareholders is necessary to hold a special meeting. The holders of a majority of the voting power of all shares of our common stock entitled to vote at the special meeting, either present in person or represented by proxy, will constitute a quorum at the special meeting. As a result, 19,521,945 shares must be represented by proxy or by shareholders present and entitled to vote at the special meeting to have a quorum.

In the event that a quorum is not present at the special meeting, it is expected that the meeting would be adjourned to a later date to solicit additional proxies.

Vote Required; Abstentions and Broker Non-Votes

The affirmative vote of the holders of a majority of the voting power of all shares of our common stock entitled to vote at the special meeting is required to approve the proposal to approve and adopt the merger agreement. Approval and adoption of the merger agreement by our shareholders is a condition to the closing of the merger.

Approval of the proposal to approve one or more adjournments of the special meeting, whether or not a quorum is present, requires the affirmative vote of a majority of the voting power of all shares of our common stock represented at the special meeting, either in person or by proxy, and entitled to vote at the special meeting. Approval of the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger requires the affirmative vote of a majority of the voting

power of all shares of our common stock represented at the special meeting, in person or by proxy, and entitled to vote at the special meeting.

If a Life Time shareholder abstains from voting, the abstention will have the same effect as if the shareholder voted **AGAINST** the proposal to approve and adopt the merger agreement. For shareholders who attend the

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meeting or are represented by proxy and abstain from voting, the abstention will have the same effect as if the shareholder voted **AGAINST** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting and **AGAINST** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

If you hold your shares in street name the failure to instruct your broker, bank or other nominee on how to vote your shares will result in a broker non-vote, and each broker non-vote will count as a vote **AGAINST** the proposal to approve and adopt the merger agreement, but will have no effect on the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting and the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Shares Held by Life Time s Directors and Executive Officers

At the close of business on April 27, 2015, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, 3,090,119 shares of our common stock (excluding any shares of our common stock that would be delivered upon exercise or conversion of stock options or other equity-based awards), which represented approximately 7.9% of the shares of our outstanding common stock on that date. Upon closing of the merger Mr. Akradi is expected to beneficially own an indirect interest in Life Time of between approximately 7.4% and approximately 7.7%, without giving effect to any grants of restricted common stock of Parent or options to purchase common stock of Parent that Mr. Akradi is expected to receive following the closing of the merger as part of his employment arrangement with Parent. Mr. Akradi s indirect beneficial ownership in Life Time after the closing of the merger will be greater than his current beneficial ownership in Life Time due to the higher level of debt that will be included in Life Time s capitalization after the closing of the merger. In connection with the merger agreement, Mr. Akradi entered into a voting agreement with Parent, pursuant to which he agreed to, among other things, vote his shares of Life Time common stock (i) in favor of the approval and adoption of the merger agreement; (ii) in favor of any related proposal in furtherance of the merger and the transactions contemplated by the merger agreement; and (iii) against any alternative proposal or any proposal relating to an alternative proposal. Such voting agreement will terminate upon the earlier of (a) the effective time of the merger; (b) the date on which the merger agreement is terminated in accordance with its terms; and (c) the date on which the parties thereto terminate the voting agreement by mutual agreement. Additionally, our other directors and executive officers have informed us that they currently intend to vote all of their shares of Life Time common stock (i) **FOR** the proposal to approve and adopt the merger agreement; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Voting of Proxies

If your shares are registered in your name with our transfer agent, Wells Fargo Shareowner Services, you may cause your shares to be voted by returning a signed proxy card, or you may vote in person at the special meeting. Additionally, you may submit electronically over the Internet or by phone a proxy authorizing the voting of your shares by following the instructions on your proxy card. You must have the enclosed proxy card available, and follow the instructions on the proxy card, in order to submit a proxy electronically over the Internet or by telephone. Based

on your proxy cards or Internet and telephone proxies, the proxy holders will vote your shares according to your directions.

If you plan to attend the special meeting and wish to vote in person, you will be given a ballot at the meeting. If your shares are registered in your name, you are encouraged to vote by proxy even if you plan to attend the

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special meeting in person. If you attend the special meeting and wish to vote in person, you must deliver to our Secretary a written revocation of any proxy you previously submitted, as your vote by ballot will not revoke any proxy previously submitted.

Voting instructions are included on your proxy card. All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in accordance with the instructions of the shareholder. Properly executed proxies that do not contain voting instructions will be voted (i) **FOR** the proposal to approve and adopt the merger agreement; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger. No proxy that is specifically marked against the proposal to approve and adopt the merger agreement will be voted in favor of the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger, unless it is specifically marked **FOR** the approval of such proposal.

If your shares are held in street name through a broker, bank or other nominee, you may vote through your broker, bank or other nominee by completing and returning the voting form provided by your broker, bank or other nominee, or by the Internet or telephone through your broker, bank or other nominee if such a service is provided. To vote via the Internet or telephone through your broker, bank or other nominee, you should follow the instructions on the voting form provided by your broker, bank or other nominee. Under applicable stock exchange rules, brokers, banks or other nominees have the discretion to vote your shares on routine matters if you fail to instruct your broker, bank or other nominee on how to vote your shares with respect to such matters. The proposals in this proxy statement are non-routine matters, and brokers, banks and other nominees therefore cannot vote on these proposals without your instructions. If you do not return your broker s, bank s or other nominee s voting form, do not vote via the Internet or telephone through your broker, bank or other nominee, if applicable, or do not attend the special meeting and vote in person with a proxy from your broker, bank or other nominee, such actions will result in a broker non-vote and will have the same effect as if you voted **AGAINST** the proposal to approve and adopt the merger agreement but will not have any effect on the adjournment proposal or the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Revocability of Proxies

If you are a shareholder of record, you may change your vote or revoke your proxy at any time before it is voted at the special meeting by:

- Submitting a new proxy electronically over the Internet or by telephone after the date of the earlier submitted proxy;
- Delivering a written notice of revocation to our Secretary;
- Signing another proxy card with a later date and returning it to us prior to the special meeting; or

Attending the special meeting, revoking your proxy by delivering notice of revocation to our Secretary, and voting in person.

Please note that to be effective, your new proxy card, Internet or telephonic voting instructions or written notice of revocation must be received by our Secretary prior to the special meeting and, in the case of Internet or telephonic voting instructions, must be received before 11:59 p.m., Eastern Time on June 3, 2015. If you have submitted a proxy but instead attend the special meeting and wish to vote in person, you must deliver to our Secretary a written revocation of any proxy you previously submitted, as your vote by ballot will not revoke any proxy previously submitted.

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If you hold your shares of common stock in street name, you should contact your broker, bank or other nominee for instructions regarding how to change your vote. You may also vote in person at the special meeting if you obtain a valid proxy from your broker, bank or other nominee. Any adjournment of the special meeting for the purpose of soliciting additional proxies will allow Life Time shareholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting, as adjourned.

Board of Directors Recommendation

The Board, acting upon the recommendation of the Special Committee and after considering various factors described in the section entitled The Merger Recommendation of Our Board of Directors and Reasons for the Merger, unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are fair to, advisable and in the best interests of Life Time and its shareholders, declared the merger agreement advisable under Minnesota law and approved, adopted and authorized the merger agreement and the transactions contemplated by the merger agreement, including the merger.

The Board unanimously recommends that you vote (i) **FOR** the proposal to approve and adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger; (ii) **FOR** the proposal to approve one or more adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and (iii) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by Life Time to its named executive officers in connection with the merger.

Solicitation of Proxies

The expense of soliciting proxies in the enclosed form will be borne by Life Time. We have retained MacKenzie Partners, Inc., a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately $30,000 plus expenses. Proxies may also be solicited by some of our directors, officers and employees, personally or by telephone, facsimile or other means of communication. No additional compensation will be paid for such services.

Anticipated Date of Completion of the Merger

Assuming timely satisfaction of necessary closing conditions, including the approval by our shareholders of the proposal to approve and adopt the merger agreement, we anticipate that the merger will be consummated in the second quarter of 2015.

Other Matters

At this time, we know of no other matters to be submitted at the special meeting.

Important Notice Regarding the Availability of Proxy Materials for the Special Meeting to be Held on June 4, 2015

The proxy statement is available at *www.proxyvote.com.*

Householding of Special Meeting Materials

We may send a single copy of this proxy statement to any household at which two or more shareholders reside in accordance with SEC rules, unless we have received contrary instructions. Each shareholder in the household will continue to receive a separate proxy card. This process, known as householding, reduces the volume of duplicate information received at your household and helps to reduce our expenses.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker or direct your written request to: Investor Relations, Life Time Fitness, Inc.,

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2902 Corporate Place, Chanhassen, Minnesota 55317, or contact our Investor Relations department at (952) 229-7427. We will promptly deliver upon written or oral request a separate copy of the proxy statement to a shareholder at a shared address to which a single copy of the proxy statement was delivered. Shareholders who currently receive multiple copies of the proxy statement at their addresses and would like to request householding of their communications should contact their broker.

Rights of Shareholders Who Assert Dissenters Rights

If the merger is approved and becomes effective, holders of common stock who do not vote their shares in favor of the merger will be entitled to statutory dissenters rights if they strictly comply with Sections 302A.471 and 302A.473 of the Minnesota Business Corporation Act. For a description of the rights of such holders and of the procedures to be followed in order to assert such rights and obtain payment of the fair value of their shares of stock, see Sections 302A.471 and 302A.473 of the Minnesota Business Corporation Act, copies of which are attached as Appendix B, as well as the information set forth below.

IN ORDER TO PERFECT DISSENTERS RIGHTS WITH RESPECT TO THE MERGER, A SHAREHOLDER MUST SEND A NOTICE TO LIFE TIME BEFORE THE DATE OF THE SPECIAL MEETING AND MUST NOT VOTE IN FAVOR OF THE PROPOSAL TO APPROVE THE MERGER BY PROXY OR OTHERWISE.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please contact Wells Fargo Shareowner Services toll free at +1 (800) 401-1957 or online at *www.shareowneronline.com.*

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, as well as information included in oral statements or other written statements made or to be made by us or on our behalf, contain forward-looking statements that do not directly or exclusively relate to historical facts. Forward-looking statements can usually be identified by the use of terminology such as anticipate, believe, continue, could, estimate, evolv expect, forecast, intend, looking ahead, may, opinion, plan, possible, potential, project, should, or expression. Shareholders are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risks detailed in our filings with the SEC, including in our most recent filings on Forms 10-K and 10-Q, factors and matters described or incorporated by reference in this proxy statement, and the following factors:

The inability to consummate the merger within the anticipated time period, or at all, due to the failure to obtain shareholder approval to adopt the merger agreement or failure to satisfy the other conditions to the completion of the merger;

The risk that the merger agreement may be terminated in circumstances requiring us to pay Parent a termination fee of up to $97 million or reimburse certain of Parent s expenses of up to $7 million;

The failure by Parent to obtain the equity and/or debt financing contemplated in the financing commitments entered into in connection with the merger agreement, or alternative financing, as applicable, or the failure of any such financing to be sufficient to consummate the merger and the other transactions contemplated by the merger agreement;

Risks that the proposed merger disrupts our current plans and operations or affects our ability to retain or recruit key employees;

The fact that, although Parent must take all actions, and do all things necessary, proper or advisable, to obtain the equity and debt financing contemplated by the equity commitment letters and the debt commitment letter, there is a risk that such financing might not be obtained and that, in certain instances, Life Time s only viable recourse could be to pursue payment of the reverse termination fee by Parent;

The effect of the announcement or pendency of the merger on Life Time s business relationships (including, without limitation, customers and suppliers), operating results and business generally;

The amount of the costs, fees, expenses and charges related to the merger agreement or the merger;

Risks related to diverting management s or employees attention from ongoing business operations;

Risk that our stock price may decline significantly if the merger is not completed;

The risk that the merger may not be consummated in a timely manner, if at all;

The nature, cost and outcome of pending and future litigation and other legal proceedings, including any such proceedings related to the merger and instituted against us and others;

The fact that receipt of the all-cash merger consideration would be taxable to Life Time s shareholders that are treated as U.S. persons for United States federal income tax purposes; and

The fact that Life Time s shareholders would forgo the opportunity to realize the potential long-term value of the successful execution of Life Time s current strategy as an independent public company.

Consequently, all of the forward-looking statements we make in this proxy statement are qualified by the information contained or incorporated by reference herein, including, but not limited to, (a) the information contained under this heading and (b) the information contained under the headings Risk Factors and information in our consolidated financial statements and notes thereto included in our most recent filings on

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Forms 10-K and 10-Q (see Where You Can Find More Information beginning on page 119). No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

Except as required by applicable law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. Life Time shareholders are advised, however, to consult any future disclosures we make on related subjects as may be detailed in our other filings made from time to time with the SEC.

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THE MERGER

This discussion of the merger is qualified in its entirety by reference to the merger agreement, which is attached to this proxy statement as Appendix A and incorporated into this proxy statement by reference. You should read the entire merger agreement carefully as it is the legal document that governs the merger.

Parties Involved in the Merger

Life Time Fitness, Inc.

2902 Corporate Place

Chanhassen, Minnesota 55317

(952) 947-0000

Life Time is The Healthy Way of Life Company. We help organizations, communities and individuals achieve their total health objectives, athletic aspirations and fitness goals by engaging in their areas of interest, or discovering new passions, both inside and outside of Life Time s distinctive, resort-like sports, professional fitness, family recreation and spa destinations, most of which operate 24 hours a day, seven days a week. Our Healthy Way of Life approach enables our customers to achieve success by providing the best places, people and programs of exceptional quality and value.

For more information about Life Time, please visit our website at *www.lifetimefitness.com*. Our website address is provided as an inactive textual reference only. The information contained on our website is not incorporated into, and does not form a part of, this proxy statement or any other report or document on file with or furnished to the SEC. See also Where You Can Find More Information beginning on page 119.

Our common stock is currently listed on the NYSE under the symbol LTM.

LTF Holdings, Inc.

c/o Leonard Green & Partners, L.P.

11111 Santa Monica Boulevard, Suite 2000

Los Angeles, California 90025

(310) 954-0444

c/o TPG Capital, L.P.

345 California Street, Suite 3300

San Francisco, California 94104

(415) 743-1500

LTF Holdings, Inc., or Parent, is a Delaware corporation that was formed by affiliates of Leonard Green and TPG solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Parent has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement. Parent is currently controlled by investment funds affiliated with Leonard Green and TPG. Upon completion of the merger, Life Time will be an indirect, wholly owned subsidiary of Parent.

Leonard Green is one of the nation s preeminent private equity firms with over $13 billion in equity capital under active management. Based in Los Angeles, Leonard Green invests in market leading companies across a range of

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industries. Significant current and former investments include The Container Store, Shake Shack, Whole Foods Market, Topshop, J. Crew, Jetro Cash & Carry, Activision, CHG Healthcare and Petco.

TPG is a leading global private investment firm founded in 1992 with over $67 billion of assets under management and offices in San Francisco, Fort Worth, Austin, Dallas, Houston, New York, Beijing, Hong Kong, London, Luxembourg, Melbourne, Moscow, Mumbai, Sao Paulo, Shanghai, Singapore and Tokyo. TPG has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings. The firm has deep consumer and retail expertise with investments including Beringer Wines, Burger King, Chobani, J. Crew, Lenta, Neiman Marcus, Petco and Savers.

LTF Merger Sub, Inc.

c/o Leonard Green & Partners, L.P.

11111 Santa Monica Boulevard, Suite 2000

Los Angeles, California 90025

(310) 954-0444

c/o TPG Capital, L.P.

345 California Street, Suite 3300

San Francisco, California 94104

(415) 743-1500

LTF Merger Sub, Inc., or Merger Sub, is a Minnesota corporation that was formed solely for the purpose of entering into the merger agreement and completing the transactions contemplated by the merger agreement and the related financing transactions. Merger Sub is an indirect, wholly owned subsidiary of Parent and has not engaged in any business except for activities incidental to its formation and as contemplated by the merger agreement and the related financing transactions. Upon the completion of the merger, Merger Sub will cease to exist and Life Time will continue as the surviving corporation.

Certain Effects of the Merger on Life Time

Upon the terms and subject to the conditions of the merger agreement, Merger Sub will merge with and into Life Time, with Life Time continuing as the surviving company. As a result of