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Retrofitness Partners with Lake Capital to Expand its Nationwide Scope and Reach

Manalapan, New Jersey (August 25, 2008) – Retrofitness, a unique, 1980s-themed gym chain, today announced that it has partnered with and received a significant investment from Lake Capital, a Chicago-based private equity firm that invests exclusively in service-based companies. Retrofitness will use the capital and strategic resources provided by Lake Capital to continue nationwide expansion and growth initiatives. Financial terms of the deal have not been disclosed.

“We are looking to aggressively grow our brand, membership experience and geographic reach all across the U.S.,” said Eric Casaburi, founder and CEO of Retrofitness. “The partnership and access to resources that Lake Capital provides will help dramatically accelerate our strategic growth plans.”

Since 2006, Retrofitness has been gaining muscle in the \$15.9 billion fitness industry, having opened 39 clubs with an additional 80 in development, in just 30 months since Retrofitness began franchising. The partnership with Lake Capital will provide Retrofitness with the capital and access to resources to accelerate this rollout.

“Retrofitness has distinguished itself as a leader in the fitness industry through superior design innovation and service. We look forward to working with Eric and his team to continue to expand Retrofitness in markets throughout the U.S.,” said Ted Kovas, a principal at Lake Capital. “Retrofitness’ unique approach to retail fitness services has positioned the company to drive growth through its truly differentiated branding and member experience.”

Featuring a unique ambience unlike any other fitness club, each Retrofitness location encompasses retro-style color schemes, classic pop-culture 80s music and a “RetroTheatre” where members can burn off calories on treadmills, recumbent bikes and ellipticals while watching famous 80s flicks. Members enjoy a full collection of top-of-the-line strength equipment and cardio machines complete with individualized LCD television monitors in addition to amenities such as personal training, juice bars, onsite childcare, locker rooms and tanning.

All Retrofitness clubs opened to date are owned and operated by franchisees. Retrofitness offers franchise investors a full suite of support services, including: access to strategic leasing and

financing partners, site selection, full staff training on-site or at Retro-University, ongoing operational assistance, sales consulting, architecture and marketing.

About Retrofitness

Founded in 2004 by Eric Casaburi, Retrofitness was created to provide an exciting and inviting environment for all levels of fitness enthusiasts. Each Retrofitness location is equipped with a full service fitness center including 60-100 plus pieces of equipment supplied by the leading manufacturer of equipment supply, Life Fitness. In addition to equipment, members can enjoy a RetroBlends Juice Bar, personal training services, tanning and a retro cardio movie theatre featuring famous 80s flicks. The company currently has 39 clubs open and in operation, with an additional 80 locations under development. For more information, please visit www.retrofitness.net.

About Lake Capital

Lake Capital is a private equity firm that focuses on investments in service-based enterprises across various industries. The firm currently manages more than \$1.3 billion in equity commitments and seeks to build leading services companies through organic and acquisition-enhanced growth. More information about Lake Capital is available at www.lakecapital.com.

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