

COFFER CORPORATE LEISURE

30 June 2006

LA Fitness Completes Sale of PropCo

Health and fitness chain LA Fitness (LAF) backed by leading private equity group MidOcean Partners (MOP) have announced the completion of the sale of MOP Acquisitions (Propco) Limited to a subsidiary to R20 Limited, the private investment vehicle of Robert Tchenguiz, for a price in the region of £50m.

Coffer Corporate Leisure, specialist M & A advisor to the leisure sectors, acted on behalf of LAF and MOP on the creation and subsequent disposal of the PropCo, which comprised 15 health and fitness clubs. The clubs trade as Dragons, and were formerly part of Crown Sports, which was acquired by LA Fitness in February of this year.

Mark Sheehan, Managing Director of Coffer Corporate Leisure said:

The LA Fitness covenant strength and strong cash flows put them in the unique position of being able to maximise the value of the PropCo as part of this strategic acquisition. The OpCo/PropCo structure is becoming an increasingly important part of deals taking place in the leisure sectors.

Debt funding financing for the transaction was provided by HSBC. Legal Advisers to MOP acquisitions (LAF) Limited were Berwin Leighton Paisner.

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