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## **Town Sports International Holdings, Inc. Expands High Value Low Price Club Model**

### **Company Poised to Convert Approximately 84% of Its Clubs to New, Affordable Membership Structure**

NEW YORK, March 10, 2015 /PRNewswire/ -- Town Sports International Holdings, Inc. ("TSI" or the "Company") (NASDAQ:CLUB), a leading owner and operator of health clubs in the Northeast and Mid-Atlantic regions of the U.S. wants to give more people the opportunity to have access to its clubs in response to rising health care costs, changing demographics and the fact that nearly 70% of adult Americans are classified as overweight or obese. The company is now offering low monthly rates at select clubs by continuing to modify pricing of facilities to reduced fee memberships labeled High Value Low Price (HVLP).

The company projects about 84% of its clubs will transition to a Premier Membership HVLP pricing strategy by May 31, 2015. Approximately 25 of its 158 clubs will operate under TSI's higher priced Passport Membership model. Memberships under the HVLP model begin at \$19.95/month with initiation fees at time of joining as applicable and offer many of the same services of our mid-range Passport Memberships. Those include group exercise programs, exclusive UXF Zone training, and state-of-the-art equipment.

"We believe the services and amenities in our clubs represent a compelling value for our members," says Dan Gallagher, CEO of Town Sports International. "We are attracting members who want more value for what they are investing in memberships and we are recapturing market share with this new model. Our HVLP model gives us an advantage over other health clubs because our facilities and services delivered by our professional staff provide our members with a better quality experience at an affordable price point than other chains offer. Our top of the line equipment, exciting group exercise classes, and our UXF cross training zones are all examples of some of the elements we provide that many others do not."

To show its strong commitment to the Premier Membership HVLP model, TSI is committing almost \$5 million in Q1 2015 advertising and marketing budget to the new membership deal, a substantial increase over the \$1.6 million dedicated to advertising and marketing in Q1 2014. The large promotional effort will include a four-week Grand Central Terminal interior shuttle "Better gym. Better price" campaign, capturing the attention of more than 13 million subway riders between Times Square and Grand Central. Commuters will also notice eye-catching billboards at the Lincoln and Midtown Tunnels, Penn Station and on branded trucks driving throughout New York City. Other marketing efforts include an aggressive mailing campaign already underway promoting memberships to all residents living within a 5 mile radius of Premier Membership locations.

To learn more go to: [www.mysportsclubs.com](http://www.mysportsclubs.com).

#### **About Town Sports International Holdings, Inc.:**

New York-based Town Sports International Holdings, Inc. is one of the leading owners and operators of fitness clubs in the Northeast and mid-Atlantic regions of the United States and, through its subsidiaries, operated 158 fitness clubs as of December 31, 2014, comprising 107 New York Sports Clubs, 30 Boston Sports Clubs, 13 Washington Sports Clubs (two of which are partly-owned), five Philadelphia Sports Clubs, and three clubs located in Switzerland, and one BFX Studio. These clubs collectively served approximately 484,000 members as of December 31, 2014. For more information on TSI, visit <http://www.mysportsclubs.com>.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/town-sports-international-holdings-inc-expands-high-value-low-price-club-model-300048381.html>

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