

October 27, 2010



# **Leslie's Poolmart, Inc. Announces Tender Offer and Consent Solicitation for its 7 3/4% Senior Notes Due 2013**

## **Company Pursues Refinancing**

PHOENIX, Oct. 27 /PRNewswire/ -- Leslie's Poolmart, Inc. ("Poolmart") today announced that it has commenced an offer to purchase for cash (the "Tender Offer") any and all of its outstanding 7 3/4% Senior Notes due 2013 (the "Notes") (CUSIP No. 527069AH1), and a solicitation of consents (the "Consent Solicitation") relating to the Notes (the Tender Offer and the Consent Solicitation, collectively, the "Offer"). Currently, \$163.8 million aggregate principal amount of the Notes are outstanding. In conjunction with the Offer, Poolmart is also soliciting consents to the adoption of proposed amendments to the Indenture (as defined below) governing the Notes and to the execution of a supplemental indenture effecting the proposed amendments. The terms and conditions of the Offer, including, but not limited to, a Financing Condition (as defined below) for the transaction, are set forth in the Offer to Purchase and Consent Solicitation Statement dated October 27, 2010 (the "Offer to Purchase") and the related Consent and Letter of Transmittal (the "Letter of Transmittal").

The "Total Consideration" for each \$1,000 principal amount of the Notes validly tendered and not withdrawn on or before 5:00 p.m., New York City time on November 9, 2010 (the "Consent Date") and accepted for purchase will be \$1,021.88, which includes a consent payment of \$21.88 per \$1,000 principal amount of Notes. The "Tender Offer Consideration" for each \$1,000 principal amount of the Notes validly tendered after the Consent Date and on or before the Expiration Time (as defined below) and accepted for purchase will be \$1,000. In addition to the Total Consideration or Tender Offer Consideration, as the case may be, payable in respect of Notes accepted for purchase, Holders will receive accrued and unpaid interest on their purchased Notes up to, but not including, the date of payment for purchased Notes. The Offer is scheduled to expire at 11:59 p.m., New York City time, on November 29, 2010 (the "Expiration Time"), unless extended.

Notes tendered on or before the Consent Date may be validly withdrawn at any time on or before 5:00 p.m., New York City time, on November 9, 2010 (the "Withdrawal Time") and Notes tendered after the Withdrawal Time may not be withdrawn unless required by law. In addition, we may, in our discretion, extend the Expiration Time, the Withdrawal Time or the Consent Date for any other reason. Poolmart expects to make payments with respect to (1) any Notes tendered and not withdrawn prior to the Consent Date and (2) any Notes tendered after the Consent Date on or about November 30, 2010, assuming the conditions specified in the Offer to Purchase are satisfied. Pursuant to the Consent Solicitation, Poolmart is soliciting from registered holders of Notes consents to proposed amendments to the indenture pursuant to which the Notes were issued (the "Indenture"), as described in the Offer to Purchase. If the required consents are obtained in the Consent Solicitation and the

proposed amendments become operative, the proposed amendments would eliminate substantially all of the restrictive covenants and the related events of default contained in the Indenture. Poolmart intends to execute the supplemental indenture effecting the proposed amendments immediately following the Consent Date, provided the requisite consents have been received.

The Offer is part of a larger refinancing of the indebtedness of Poolmart and its parent company, Leslie's Holdings, Inc. ("Holdings"). As part of the refinancing, all of the existing debt of Holdings will be exchanged for new debt of Poolmart or of Holdings, and Poolmart will enter into a new senior secured term credit facility and a new revolving credit facility, and will use some of the proceeds to make a distribution to Holdings. The "Financing Condition" means that all of these transactions as more fully described in the Offer, have been completed, in each case on such terms and conditions as may be satisfactory to Poolmart in its sole discretion.

The Offer is subject to the general conditions set forth in the Offer to Purchase and to the Financing Condition. The Offer is also subject to the adoption of the proposed amendments to the Indenture. If the requisite consents are not obtained and the proposed amendments do not become operative, but the Financing Condition is satisfied, Poolmart may terminate the Offer (without accepting or paying for any Notes tendered therein) among other options outlined in the Offer to Purchase. Until January 31, 2011, the Notes are redeemable at a redemption price of 101.938% of the principal amount thereof, plus accrued and unpaid interest up to, but not including, the redemption date. As of February 1, 2011, the Notes are redeemable at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest up to, but not including, the redemption date. Upon satisfaction of the Financing Condition, adoption of the proposed amendments and the purchase of tendered Notes pursuant to the Offer, Poolmart intends to give a notice of redemption providing that it will redeem all Notes not purchased in accordance with the Indenture at the then-effective redemption price, plus accrued and unpaid interest up to, but not including, the redemption date, less any applicable withholding taxes.

This press release is neither an offer to purchase, nor a solicitation for acceptance of an offer to sell, the Notes. Poolmart is making the Offer only by, and pursuant to the terms of, the Offer to Purchase and the related Letter of Transmittal. The complete terms and conditions of the Offer are set forth in the Offer to Purchase and the Letter of Transmittal. Holders are urged to read these documents carefully when they become available. Copies of the Offer to Purchase and Letter of the Transmittal may be obtained from the Information Agent for the Offer, Global Bondholder Services Corporation, at 866-924-2200 (US toll-free).

BofA Merrill Lynch is acting as exclusive Dealer Manager and Solicitation Agent for the Offer. Questions regarding the Offer may be directed to BofA Merrill Lynch at 888-292-0070 (toll-free) and 646-855-3401 (collect).

The Offer is not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Poolmart by the dealer manager, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

## **About Poolmart**

Founded in 1963, Poolmart is the country's leading specialty retailer of swimming pool supplies and related products. Poolmart currently markets its products through 652 retail stores in 35 states; a nationwide mail-order catalog; and an Internet e-commerce site, [www.lesliespool.com](http://www.lesliespool.com).

## **Forward Looking Statements**

Poolmart urges caution in considering its current trends and any outlook on earnings disclosed in this press release. In addition, certain matters discussed may constitute forward-looking statements. These forward-looking statements involve risks, uncertainties, and other factors that may cause the actual performance of Poolmart, its subsidiaries and underlying stores to be materially different from the performance indicated or implied by such statements. Words such as "expects," "anticipates," "believes," "intends," "plans," "hopes," and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, Poolmart expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

Factors that could cause actual performance to differ materially from the performance indicated by these forward-looking statements include, among others: Poolmart's ability to enter into the New Senior Credit Facilities, including the terms of and the aggregate amount available under the New Senior Credit Facilities, complete its refinancing transactions, as well as the timing of such transactions; the competitive pressures from within the swimming pool supply industry; the level of success of Poolmart's operating initiatives, advertising and promotional efforts; adverse publicity; changes in business strategy or development plans; terms and availability of capital; regional weather conditions; overall changes in the general economy, particularly at the retail level and in the credit markets in general; and other factors from time to time set forth in Poolmart's Securities and Exchange Commission reports and other filings, including but not limited to the discussion in Management's Discussion and Analysis and the risks identified in Item 1A. Risk Factors contained in Poolmart's Annual Report on Form 10-K for the fiscal year ended October 3, 2009 (and in Poolmart's subsequent quarterly reports on Form 10-Q).

SOURCE Leslie's Poolmart, Inc.