

November 10, 2010



## **Leslie's Announces Early Results of Tender Offer and Consent Solicitation for its 7 3/4% Senior Notes due 2013**

PHOENIX, Nov. 10, 2010 /PRNewswire/ -- Leslie's Poolmart, Inc. ("Leslie's" or the "Company") today announced the early tender and consent solicitation results from the previously announced offer to purchase for cash (the "Tender Offer") by Leslie's for any and all of its outstanding 7 3/4% Senior Notes due 2013 (the "Notes") (CUSIP No. 527069AH1).

In conjunction with the Tender Offer, Leslie's solicited consents (the "Consent Solicitation" and collectively with the Tender Offer, the "Offer") to the adoption of amendments (the "Amendments") to the Indenture (as defined below) governing the Notes and to the execution of a supplemental indenture effecting the Amendments. The terms and conditions of the Offer, including, but not limited to, a Financing Condition (as defined below), 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").

As of November 9, 2010, at 5:00 p.m., New York City time (the "Consent Date"), an aggregate of \$155,460,000 in principal amount of the Notes had been validly tendered and not validly withdrawn in the Offer. Additionally, as of the Consent Date, the Company received consents from holders of \$155,460,000 in principal amount of the Notes, or 94.9% of the outstanding Notes. The consents received as of the Consent Date (the "Requisite Consents") were sufficient to approve the Amendments.

Having received the Requisite Consents, Leslie's intends to enter into, as promptly as practicable, a supplemental indenture (the "Supplemental Indenture") that amends and supplements the Indenture dated as of January 25, 2005 (the "Indenture") by and among Leslie's and The Bank of New York Trust Company, N.A., as trustee. The Supplemental Indenture will effect the Amendments and will eliminate substantially all of the restrictive covenants and the related events of default contained in the Indenture. The Supplemental Indenture will be effective upon execution but the Amendments will only become operative and binding on the holders of the Notes when and if all conditions to the Offer set forth in the Offer to Purchase are satisfied or waived by Leslie's and all validly tendered Notes are accepted by Leslie's for purchase pursuant to the Offer. If the Financing Condition is not satisfied or the Notes are not otherwise purchased, the Amendments will not become operative and the original Indenture will remain in effect.

The "Total Consideration" for each \$1,000 principal amount of the Notes validly tendered and not withdrawn on or before 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. Leslie's may, in its discretion, extend the Expiration Time for any reason. Any Notes tendered after 5:00 p.m., New York City time, on November 9, 2010 may not be withdrawn unless required by law.

Leslie's expects to make payments with respect to any Notes tendered and not withdrawn on or prior to the Consent Date on the settlement date, which is expected to be on or about November 30, 2010, assuming the conditions specified in the Offer to Purchase, including the Financing Condition, are satisfied.

The Offer is part of a larger refinancing of the indebtedness of Leslie's 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 Leslie's or of Holdings, and Leslie's 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 to Purchase, have been completed, in each case on such terms and conditions as may be satisfactory to Leslie's in its sole discretion.

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 Amendments and the purchase of tendered Notes pursuant to the Offer, Leslie's 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. Leslie's 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.

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 (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 Leslie's by the dealer manager, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

### **About Leslie's**

Founded in 1963, Leslie's is the country's leading specialty retailer of swimming pool supplies and related products. Leslie's 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**

Leslie's 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 Leslie's, 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, Leslie's 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: our ability to complete the proposed refinancing, including our ability to enter into the New Senior Credit Facilities (as defined in the Offer to Purchase), the terms of and the aggregate amount available under such New Senior Credit Facilities, as well as the timing of the refinancing; competitive pressures from within the swimming pool supply industry; the level of success of our operating initiatives and advertising and promotional efforts; adverse publicity; changes in business strategy or development plans; terms and availability of capital; the seasonality of our business and the effect of changes in weather conditions; the ability of the Company to retain key personnel; 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 the Company'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 the Company's Annual Report on Form 10-K for the fiscal year ended October 3, 2009 (and in the Company's subsequent quarterly reports on Form 10-Q).

SOURCE Leslie's Poolmart, Inc.