



LEISURE POOLS OVERVIEW

INTRODUCTION

In this document we would like to provide you with an overview of Leisure Pools so that you have some insight into our exciting and growing company.

HISTORY

Leisure Pools was incorporated 8 years ago and in this time has become one of the world's premiere fibreglass swimming pool manufacturers.

In this short time, Leisure Pools has:

- Developed Australia's premiere range of fibreglass swimming pools including the industry leading Elegance, Moroccan, Opulence and Plunge Pool ranges of swimming pools;
- Established Australia's largest network of franchisees who represent the Leisure Pools product all across Australia;
- Established a manufacturing plant in Texas, USA where we supply over 150 dealers servicing North and South America, Canada and Mexico;
- Exported swimming pools to many countries around the world;
- Developed an innovative range of water feature equipment enclosures;
- Established Leisure Finance to assist customers of Leisure Pools franchisees in obtaining finance so that they many purchase a Leisure Pool.

FAMILY BUSINESS

Leisure Pools is owned and operated by Kerry Pain and David Pain. Kerry and David are father and son.

Kerry, a veteran in the swimming pool industry, has been involved with fibreglass swimming pool manufacturing and retailing for in excess of 25 years.

Kerry Pain says:

"We typically find that the majority of our franchisees are family businesses. Being a family business ourselves helps us appreciate the huge part business plays as part of family life. As a result, we do our best to make our franchisees feel as much apart of our family as we feel of there's".





David, previously a solicitor, left the legal profession to join Kerry to develop Leisure Pools. David holds a degree in Law with Honours and a Masters of Business Administration.

David Pain says:

"In order for Leisure Pools to be a successful business our Franchisees must be successful. As a result we make every effort to work with our Franchisees to ensure there success".

MANUFACTURING PLANTS

Leisure Pools Head Office is at 6 Computer Road, Yatala. The Head Office is site is located on 7 industrial acres located just off the M1 Motorway that links Brisbane and the Gold Coast.



Leisure Pools is presently constructing a new building on its site at Yatala to provide it with even more capacity to meet the demands of its Franchisees.



In 2002 Leisure Pools started exporting its swimming pools to the United States of America.

Leisure Pools had enormous success with this export program due to the design and quality of our swimming pools. Very quickly Leisure Pools has become one of the market leaders in the US fibreglass swimming pools industry.

So much so that Leisure Pools set up a manufacturing facility in 2003 at 4202 Dividend Drive, San Antonio, Texas, USA. From this facility we service over 150 dealers representing the product in North America, South America, Canada and Mexico.

Leisure Pools has recently purchased 18 acres of land on Interstate 35, which links San Antonio and Austin. It is at this new site, that



Leisure Pools is presently constructing the world's largest fibreglass manufacturing plant with capacity to produce in excess of 5,000 swimming pools per annum.

SWIMMING POOL PRODUCT RANGE

Leisure Pools product range is second to none!



Leisure Pools is the market leader with the following key designs:

- Elegance;
- Moroccan;
- Opulence; and
- Plunge Pool.

Leisure Pools have invested heavily in creating the best range of swimming pool designs on the market. Kerry Pain, the designer of the Leisure Pools range says:

"With over 25 years experience of talking to customers and watching design trends in Australia, I have developed a range of swimming pool designs that caters to the entire market. Our Elegance and Opulence range has enabled us to take market share from the traditional concrete pool market. The Moroccan range is the leading freeform rectangular pool in the fibreglass industry. The Plunge Pool range, a recent addition to the Leisure Pools range, was developed to cater for the ever increasing push to smaller home sites. Without doubt, our franchisees find selling swimming pools easy with our diverse range of swimming pools".

Leisure Pools did not however stop at design. One of the key issues was to ensure that the Leisure Pools moulds were meticulously made to ensure that the product from the mould was level and true. Leisure Pools has received many glowing references from highly experienced installers who have all testified as to the quality and trueness of the Leisure Pools range of swimming pools.

WARRANTY

Leisure Pools stands behind its product!



Leisure Pools is the only company to offer a <u>Lifetime Structural Warranty</u> on each of its fibreglass swimming pools.

David Pain says:

"We use only the best raw materials and coupled with the fact we have some of the best fibreglass operators in the Country gives us the confidence that we can provide a Lifetime Structural Warranty on each of our swimming pool shells."

Leisure Pools adopts a meticulous quality control program. Our factory operators weigh all of the materials that are applied to the swimming pool to ensure each swimming pool is within the strict tolerances that we set.





Once the swimming pool is manufactured we use an ultrasonic thickness tester to ensure that the materials have been applied in the correct thicknesses. Further, to ensure correct cure on our product we use a barcol hardness testing device to ensure the resins and gelcoats have correctly cured.

Leisure Pools Factory Manager, Brett Cason, says:

"At Leisure Pools we honestly strive to build the very best swimming pool that we can. We continually invest in our staff and our production facility to make the very best swimming pools that we can."

By way of background, Brett Cason, is an industry icon in the fibreglass manufacturing industry with over 25 years experience primarily with volume swimming pool manufacturers.



WATER FEATURE EQUIPMENT ENCLOSURE RANGE



Leisure Pools leads the industry in Water Features!

In response to the increasing demand of customers for water features, Leisure Pools developed an innovative range of water features that double as equipment enclosures.

The water feature equipment enclosures have been a huge success! Many franchisees have reported that they have obtained swimming pool sales simply because the customer fell in love with the water feature.

The equipment enclosure part of the water feature is an enormous feature for the following reasons:

- Its shields equipment so as to reduce noise levels;
- It protects valuable pool equipment from the elements;
- It enables the equipment to be installed close to the pool to reduce the run length of pool piping;
- It enables improved performance of pumps as the pump is not required to move water over long distances;
- It is an elegant way to hide unsightly pool equipment.



Leisure Pools range of water features equipment enclosures can be specified with a variety of lengths of sheer descents and/or multiple sheer descents.

In addition to the standard 3 colours that the water features can be finished in, they can be tiled or clad to create whatever effect the customer is looking for.

LEISURE FINANCE

Leisure Pools has identified from research that one of the key parts of the decision making process for a customer to purchase a swimming pool is how they are going to fund the purchase.

In an attempt to make swimming pools more affordable, Leisure Pools created the inhouse finance business, Leisure Finance. Leisure Finance, which is headed up by John Cominos, has a mandate of helping Leisure Pools customers finance the purchase of a Leisure Pool from a Leisure Pools franchisee.



John Cominos says:

"Many people don't realize that the cost of purchasing a swimming pool is really not a large amount per week if we can structure the finance as part of the customer's home loan which is generally at a lower interest rate and over a longer term. As a result we can start to finance customers into swimming pools for as little as \$33 per week". In many instances, our franchisees report that they have obtained the sales through the efforts of John and his team in obtaining finance for the customer.

Leisure Finance has access to over 30 bank and non-bank lenders who have over 300 varieties of loan products. This means that Leisure Finance can offer everything from home loans, equity draw downs, refinances, personal loans and many other finance products.

John Cominos says that:

"What a lot of people don't realaise is that purchasing a swimming pool is an ideal time for a customer to review their financial position. In the majority of instances we find that we are able to access better loan products than what the customers currently have. As a result we generally reduce customer's weekly repayments through refinancing their loans making purchasing a swimming pool both a recreationally and financially rewarding experience."

Leisure Finance is a free service offered to Leisure Pools franchisees. Leisure Finance is also available to assist our own franchisees with financing plant and equipment, car loans, business loans and personal finance.

1300 SPLASH

Leisure Pools operates a 1300 Phone Word telephone number (1300 SPLASH).

All Leisure Pools Franchisees are allocated post codes that mark out there exclusive territory in which they can market in.

Leisure Pools and its franchisees generate inquires through various marketing channels including:

- Leisure Pools website (Head Office managed);
- Brochures and marketing material (Head Office supplied);
- Various Head Office advertising (Head Office managed);
- Yellow Pages advertising (individual franchisee controlled);
- Newspaper advertising (individual franchisee controlled);
- Radio advertising (individual franchisee controlled);
- Television advertising (Head Office and grouped franchisee controlled);
- Display Centres (individual franchisee controlled);
- Shows (individual franchisee controlled).

Leisure Pools and its franchisees will use the 1300 SPLASH number in these marketing channels (as well as the franchisees local number to ensure the "local pool builder" concept is not lost).

When a customer calls 1300 SPLASH they are asked to enter their post code and subject to which franchisee owns this post code will determine who receives the inquiry. For example, if you see a Newspaper advert in Brisbane and you call 1300 SPLASH and enter the post code of 4000 this will divert the call through to the Leisure Pools South Brisbane franchisee as this franchisee controls this post code.

The post code concept has worked extremely well for Leisure Pools franchisees as it avoids conflict. The result being that franchisees work together on many advertising initiatives as they know they will receive the leads that are rightfully theirs from the advertising.

www.leisurepools.com.au WEBSITE

Leisure Pools operates an incredibly successful internet program to generate leads.

The internet is a great way to market; it is open 24 hours a day, 7 days a week, telling a story about Leisure Pools and its franchisees.

Leisure Pools website has been professionally designed and engineered to maximize the opportunity of obtaining an inquiry from a prospective customer. At every opportunity there is the ability for the customer to request information and pricing. As a result, we receive an enormous amount of internet inquiries.

Again, the website works in a very fair way for Leisure Pools franchisees. Using the same post code allocation as discussed in the 1300 SPLASH concept, when the customer enters their post code on the website the internet inquiry is sent directly to the franchisee to action. The lead does not go through Head Office and then forwarded on days later, rather it is instantly routed to the franchisee so the franchisee gets maximum opportunity to handle that inquiry quickly and efficiently.

LEISURE POOLS FRANCHISEE WEBSITES

As part of the main <u>www.leisurepools.com.au</u> website we have created individual pages for each of our franchisees on the website. This enables each franchisee to tell their customers a little bit about themselves, as well as including customer testimonials and photos of some of there work. We find that these individual pages give a face and personality to the Leisure Pools franchisee.

Again, the franchisee pages work by way of post codes. A customer, when on the website, would enter the post code of where they are considering installing the swimming pool and whichever franchisee owns that post code they would have their web page appear.

YELLOW PAGES ONLINE

In addition to the main <u>www.leisurepools.com.au</u> Leisure Pools often takes key advertising positions on <u>www.yellowpages.com.au</u> on behalf of franchisees. The result being that we create web traffic to the main <u>www.leisurepools.com.au</u> website for the benefit of all franchisees. Leisure Pools Head Office does this for the benefit of all franchisees.

TRANSPORT

Transporting fibreglass swimming pools is perhaps one of the most challenging parts of operating a fibreglass manufacturing business. As a result, Leisure Pools has focused on this area to provide the best possible service to franchisees all over Australia.

Leisure Pools operates large distribution yards in:

- North Queensland (Townsville);
- Brisbane, Queensland;
- Sydney, New South Wales;
- Melbourne, Victoria; and
- Perth, Western Australia.

Leisure Pools flat loads swimming pools to these distribution yards. From there we transport to the franchisee 1 or 2 swimming pools at a time.



The benefits of operating the Leisure Pools Distribution Yards include:

- Franchisees are not required to take large loads of pools, but rather are serviced with 1 or 2 pool deliveries which makes it easier to manage for the franchisee;
- With the bulk of the transport distance being by way of flat load there is less risk of damage;
- Leisure Pools maintains stock at the Leisure Pools Distribution Yards which is listed on a website so that franchisees are always aware of what pools they can purchase from stock and take delivery of immediately.

In some areas, Leisure Pools still uses the traditional method of tilt delivering multiple numbers of swimming pools if it is determined it is a more cost efficient option for the franchisee.

CONCLUSION

We hope that you have learnt a little more about Leisure Pools from this Overview. We would welcome the opportunity to answer any questions that you may have.

CONTACT DETAILS

Leisure Pools contact details are as follows:

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