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PRESS RELEASE

THE CONTAINER STORE® ENGAGES NEW FINANCIAL PARTNERSHIP WITH LEONARD GREEN & PARTNERS, L.P.

Retailer achieves all objectives in partnership -- attractive value for shareholders, management team retention and equity participation, preservation of unique culture -- positioning brand for future growth

Coppell, Texas – July 3, 2007 – The Container Store’s Kip Tindell (CEO & Co-Chairman), Garrett Boone (Co-Chairman), Sharon Tindell (Chief Merchandising Officer) and Melissa Reiff (President), today announced that the retailer will enter into a financial partnership with private investment firm Leonard Green & Partners, L.P. Kip Tindell called the partnership a move toward “continued growth, profitability, market leadership and preservation of our beloved culture and customer service.” The private transaction is set to be completed next month.

“Our success is built on a unique culture, concept and brand – and we were looking for a unique partnership that was ground-breaking: one that would allow management to run the business exactly as we do today, give our shareholders an attractive value, and facilitate significant employee equity participation – and we achieved just that with Leonard Green & Partners,” Kip Tindell said. “The Container Store will remain every bit as yummy, quirky and exciting and every bit as true to its values, philosophy and core concepts as we are right now.”

Tindell added, “Leonard Green & Partners are among the most experienced retail investors in the industry and we’re thrilled to have found the perfect partner who believes in and is like-minded in our approach to business.”

The nation’s leading retailer of storage and organization products made the announcement in February to pursue strategic alternatives due to strong market conditions for retail mergers and acquisitions, feeling the timing was right to secure the long-term future for the company. The Container Store hired JPMorgan to serve as its financial advisor and Cravath, Swaine and Moore LLP as its legal advisor.

The decision to partner with Leonard Green & Partners comes as The Container Store celebrates a successful fiscal 2006 with 2007 sales expected to reach approximately \$600 million, a figure that has steadily grown at 15-20 percent per year on average. The company has 39 stores across



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the country; it opened its first St. Louis store earlier this year with two more new stores planned in 2007 and six in 2008. Additionally, The Container Store has been at the top of Fortune magazine's list of "Best Companies To Work For" eight years running.

"The Container Store is among the finest retailers in America with a unique and powerful culture and we're proud to work with them, in what we know will be a long runway for growth, opportunity and success," said Jon Sokoloff, Managing Partner, Leonard Green & Partners, L.P. "We don't look at this like we're buying and they are selling. We see it as The Container Store bringing in a financial partner that will assist them in continuing to run their business in the principled and trailblazing way they have over the last 29 years."

Sokoloff added, "The integrity, passion and innovation of The Container Store management team is unmatched in our experience."

"This has been one of the most highly participative processes we've ever seen, resulting in a great outcome for all parties involved," said Rob Holmes, Managing Director, JPMorgan.

Boone noted how amazing the process had been and cited the fantastic work the management team had done during the presentation and due diligence process. "Kip, Melissa, Sharon and all of the Vice Presidents are the best management team in retail. They were such effective ambassadors for our brand, working diligently to ensure that the essence and excitement of our company was communicated and that all stakeholders in the company would be extremely happy with the outcome."

The new six-member Board of Directors will consist of Kip and Sharon Tindell and Reiff from The Container Store. Sokoloff, Timothy Flynn, Partner and J. Kristofer Galashan, Vice President will serve from Leonard Green & Partners.

The Tindells, Boone and Reiff announced the news today to the company, including employees at their subsidiary company in Sweden, Elfa®, the premier manufacturer of wire shelving and drawer systems and the company's best selling product. The announcement was conducted in a series of live meetings with employees at its headquarters and via conference call with key Directors and Managers across the country, as well as through a written companywide memo.

"We have enjoyed tremendous success in our first three decades and want to continue to be our customers' favorite store," said Kip Tindell. "Our extraordinary employees have turned the vision of The Container Store and Elfa into a one-of-a-kind place to shop and work. We're excited



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about what the future holds for everyone involved, as we continue to deliver our brand of retail and look forward to making everything about our great company even greater.”

About The Container Store:

The Container Store currently has 39 locations across the country. In 2007, the retailer will open its second store in Denver (Cherry Creek), on Aug. 11 and its first in the greater Philadelphia market area (Cherry Hill, NJ) on Nov. 3. The Container Store offers free closet design services every day in its stores and online using elfa, the premiere shelving and drawer system. Elfa International AB, based in Västervik, Sweden, is a wholly-owned subsidiary of The Container Store. Visit www.containerstore.com for more information about store locations, the product collection and services offered. The Container Store has been named to the top of FORTUNE magazine’s annual list of the “100 Best Companies to Work For” for the past eight years. Sales for fiscal year 2007 are projected at approximately \$600 million. The Container Store is privately held. For more information, please contact: Casey Priest, VP of Marketing, 972.538.6621 or 214.505.6149 (cell)

About Leonard Green & Partners, L.P.:

Located in Los Angeles, California, Leonard Green & Partners is a private investment firm established in 1989 to make primarily control investments in a diversified portfolio of middle market companies. Leonard Green & Partners manages approximately \$9 billion in equity commitments and has invested in 42 companies with an aggregate value of over \$31 billion. The firm’s investments are focused primarily on North American companies in a range of sectors including retail, consumer products, distribution, media, business services, and healthcare. Significant investments include The Brickman Group, David’s Bridal, FTD Group, Jetro Cash and Carry, Neiman Marcus Group, Petco Animal Supplies, The Sports Authority, The Tire Rack, and Tourneau. For more information, please visit www.leonardgreen.com.

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