



August 10, 2007

Wilsons The Leather Experts Eyes New Strategy

By Molly Fergus

Wilsons The Leather Experts Inc. wants to deepen its presence in the accessories business.

On Thursday, the retailer said it has hired investment banking firm Financo Inc., design firm IDEO and independent research and consulting firm Telsey Advisory Group to help it formulate a "future business strategy."

That strategy is expected to include accessories-only stores, the company said.

Developing the Minnesota-based leather retailer's accessories business, which currently includes wallets, handbags and belts, will involve the acquisition of an established accessories brand whose products would be sold in Wilsons' stores, said Gilbert W. Harrison, chairman of Financo.

"They're in the accessories business now and they want to continue to grow it," Harrison said. "It's a growing segment. The population is interested in the accessories."

Harrison said the key will be in "finding the right company to acquire that will allow Wilsons to nationally expand overnight its accessories business."

The leather retailer also said Michael Sweeney, managing partner of Goldner Hawn Private Equity, will become nonexecutive chairman of the board. Michael Searles continues as chief executive officer.

"Goldner Hawn invested in Wilsons Leather because we are excited about the company's prospects, particularly with regard to our future in the women's accessories business," Sweeney said in a statement. "We believe that the company's 411 stores across the United States uniquely position us for success."

Minneapolis-based Goldner Hawn in June led a group that invested \$45 million in Wilsons, with Goldner Hawn injecting \$35 million. The other two investors are Peninsula Investment Partners and Quaker Capital Management Corp. Together the group holds an 85 percent stake in the retailer.