

# Zale says Haubenstricker will become next CFO

The Associated Press

Zale Corp. said Wednesday that Thomas Haubenstricker will become its new chief financial officer, praising his expertise in helping turn around companies.

The jewelry retailer has struggled to improve its business in the aftermath of the recession.

Haubenstricker, 49, has been a managing director at Turnberry Advisors since Jan. 2010. Turnberry is a management advisory firm that specializes in helping distressed companies turn around their businesses. Before working at Turnberry, Haubenstricker was a financial executive for technology services company Electronic Data Systems, now part of Hewlett-Packard Co.

"Tom's financial expertise and recent turnaround experience should prove invaluable as we continue to execute our multi-year strategy," said Zale CEO Theo Killion. He said Haubenstricker would be valuable to the company's effort to return to profitability.

Shares of Zale jumped 21 cents, or 7.5 percent, to \$3.02 in late morning trading. The stock has dropped nearly 50 percent in the past three months.

Starting Monday, Haubenstricker replaces current CFO Matt Appel, who becomes Zale's chief administrative officer. Haubenstricker will report to Appel.

Appel joined Zale as CFO in May 2009 during a reshuffling of top management amid sinking sales. Tight credit and high unemployment during the recession hurt demand for the chain's jewelry. Over the past few years, the company has tried to right the ship, closing hundreds of stores and cutting costs. Its revenue rose 8 percent in its latest fiscal year that ended on July 31. It was the first yearly revenue increase since 2006. But the Dallas company posted a net loss for the third straight year. It's been hurt recently by higher costs for diamonds, silver and gold.

Still, in September, Zale said it was on the right track. It said it had replaced underperforming workers and improved revenue at stores open at least a year, a key retail metric because it excludes newly opened and closed stores. The company also said partnerships with celebrities on product lines were helping sales.

Zale runs about 1,830 stores in the U.S., Canada and Puerto Rico under the Zales Jewelers, Gordon's Jewelers, Peoples Jewellers, Mappins Jewellers and Piercing Pagoda names.

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