

# FosterGrant eyes specialty youth brands

The company's purchase of five Gargoyle brands enables it to reach beyond large retail outlets such as Wal-Mart and Kmart.

**BY PAUL GRIMALDI**  
JOURNAL STAFF WRITER

SMITHFIELD — Sunglasses maker AAI FosterGrant is trying to get more face time with the country's youth through the purchase of five brands from a Washington state company.

The acquisition announced yesterday is the latest in a series of moves

that has revitalized the Rhode Island company.

FosterGrant already sells about 18 million pairs of sunglasses each year, according to a company spokesman. Those sunglasses are bought primarily by people older than 35 at mass merchandisers such as Wal-Mart, Kmart, supermarkets and drugstores.

FosterGrant will push into the youth market with the acquisition of five brands from Gargoyles, of Auburn, Wash. They include Gargoyles, Anarchy, Angel, GForce and Idol-Eyez. They are sold primarily at specialty retailers, such as Pacific

Sun, surf shops and other active-wear retailers. Terms of the sale were not disclosed. FosterGrant is privately held.

The company has its eye on capturing a piece of the nearly \$1 billion in sales sunglasses generate at such stores.

Total sales of sunglasses were about \$1.9 billion in 2003, according to Jobson Optical Research. That was down from 2002, when sales reached \$2.12 billion. Overall sales peaked in 2000 at \$2.6 billion.

"We were looking to move into the

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**SPECTACULAR HAPPINESS:** John Ranelli, chairman of FosterGrant, seen here at his Smithfield headquarters in 2002, says the company aims to sell more-expensive sunglasses.

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## Sunglasses

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specialty [store] channel, which gives us access to a younger market," said Tom Fourt, a spokesman for FosterGrant.

The Gargoyle brands are popular with teens and young adults, he said.

Aside from access to a younger market, the new brands also sell for more than the typical pair of FosterGrant sunglasses, which sell for between \$15 and \$20. The Gargoyle brands range from about \$45 to \$120.

"We have a long-term strategy to increase our price points," said

John Ranelli, FosterGrant's chairman. "There's no doubt this [acquisition] has a huge strategic impact."

That strategy included reviving the "Who's Behind Those Foster Grants" ads that helped launch the brand in the mid-1960s. In 1996, AAI, once known as Accessory Associates Inc., of Smithfield, purchased FosterGrant, then based in Dallas, Texas.

Ranelli also sold off AAI's unprofitable leather accessories and novelty clock and watch businesses.

The addition of the Gargoyles lines brings the number of brands in FosterGrant's portfolio to nine. Three of those — Ironman, Champion and Club Med — are licensed from third parties.