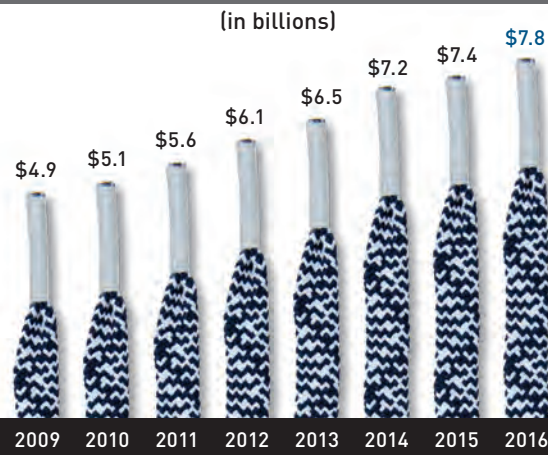
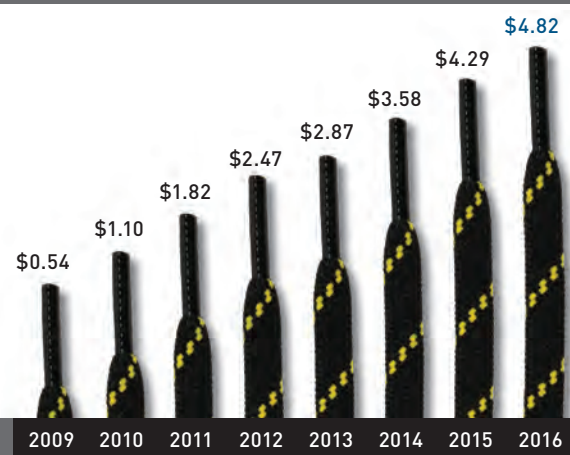


TOTAL SALES



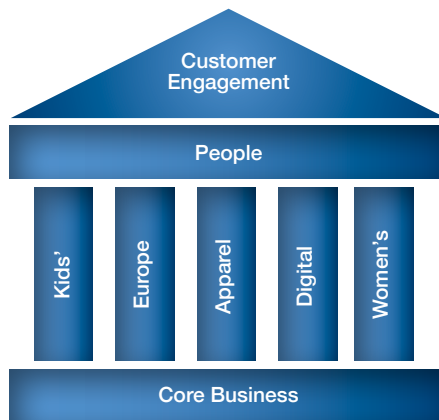
EARNINGS PER SHARE



We only have room in this report to highlight eleven of our muses. In fact, we have several more core constituents — the parents of our Kids Foot Locker consumers, for example — whom we count amongst our muses. Nonetheless, this introduction should help you appreciate the strong position we have built with our customers, which gives us the confidence that we can continue to deliver strong financial and operational results well into the future.

2016 HIGHLIGHTS

Before we talk more about the future, though, let me briefly review the past, including the very strong results of 2016, which was the second year spent executing the specific strategic framework and priorities shown below:



The power and relevance of these initiatives, as well as our team's outstanding execution of them, can be seen in the financial success we achieved in 2016, as shown in this brief list of highlights:

- Sales totaled \$7.8 billion, the most in our history as an athletic company;
- A full-year comparable store sales gain of 4.3 percent, our seventh consecutive year of significant sales growth;
- Operating income reached \$1.0 billion, the first time our Company has attained this milestone;
- Gross margin and operating expense rates both improved, as did our rate of Earnings Before Interest and Taxes, which reached a record 13.0 percent;
- Earned net income of \$4.82 per share, a 12 percent increase over 2015, and the seventh year in a row in which we have driven a double-digit percentage increase in earnings per share;
- Opened 96 new stores, including several pinnacle retail experiences — highlighted by our new flagship Foot Locker and SIX:02 store on 34th Street in midtown Manhattan — and remodeled or relocated 218 other stores;
- Increased sales per gross square foot to \$515.

- Drive performance in the **Core Business** with compelling customer engagement
- Expand our leading position in **Kids'**
- Aggressively pursue **European expansion** opportunities
- Build our **Apparel** penetration and profitability

- Build a more powerful **Digital** business with customer-focused channel connectivity
- Deliver exceptional growth in **Women's**
- Build on our industry-leading team by embracing the power of our **People**