

FOOT LOCKER, INC.

N E W S R E L E A S E

CONTACT:

Peter D. Brown
Vice President, Investor Relations
and Treasurer
Foot Locker, Inc.
(212) 720-4254

BANKRUPTCY COURT APPROVES FOOT LOCKER, INC.'S PURCHASE OF APPROXIMATELY 350 FOOTACTION STORES FROM FOOTSTAR, INC. FOR \$225 MILLION

- **Acquisition Expected to be Accretive to Foot Locker Earnings in the First Full Year of Operations**

NEW YORK, NY, April 21, 2004 - - Foot Locker, Inc. (NYSE:FL), the New York-based specialty athletic retailer, today announced that the Bankruptcy Court handling Footstar, Inc.'s Chapter 11 bankruptcy proceedings approved Foot Locker, Inc.'s offer of \$225 million to purchase approximately 350 Footaction athletic footwear and apparel stores from Footstar.

As previously reported, Foot Locker signed an agreement to purchase approximately 350 stores for \$160 million in cash. Foot Locker increased its offer to \$225 million in response to competing bids from other suitors. The remaining terms of Foot Locker's agreement with Footstar remain substantially unchanged.

"We are very pleased that the Bankruptcy Court approved our offer for the Footaction stores," said Matthew D. Serra, Foot Locker Inc.'s Chairman and Chief Executive Officer. "We now look forward to working with the management of Footstar to expedite the closing of the transaction. We are quite disciplined with the use of our cash resources and we believe that this acquisition makes good strategic sense for our Company and for our shareholders. Due to our strong financial position, we expect the proposed acquisition to be initially funded from cash and be accretive to Foot Locker's fully diluted earnings per share within the first full year of operation."

Foot Locker, Inc. is a specialty athletic retailer that operates approximately 3,600 athletic retail stores in 16 countries in North America, Europe and Australia. Through its Foot Locker, Lady Foot Locker, Kids Foot Locker and Champs Sports retail stores, as well as its direct-to-customer channel Footlocker.com/Eastbay, the Company is the leading provider of athletic footwear and apparel.

Disclosure Regarding Forward-Looking Statements

This press release contains forward-looking statements, which reflect management's current views of future events and financial performance. These forward-looking statements are based on many assumptions and factors detailed in the Company's filings with the Securities and Exchange Commission, including the effects of currency fluctuations, customer demand, fashion trends, competitive market forces, uncertainties related to the effect of competitive products and pricing, customer acceptance of the Company's merchandise mix and retail locations, the Company's reliance on a few key vendors for a majority of its merchandise purchases (including a significant portion from one key vendor), unseasonable weather, risks associated with foreign global sourcing, including political instability, changes in import regulations, disruptions to transportation services and distribution, and the presence of severe acute respiratory syndrome, economic conditions worldwide, any changes in business, political and economic conditions due to the threat of future terrorist activities in the United States or in other parts of the world and related U.S. military action overseas, the ability of the Company to execute its business plans effectively with regard to each of its business units, including its plans for the marquee and launch footwear component of its business, and its plans for the integration of the Footaction stores. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events, or otherwise.

XXX