

FOOT LOCKER, INC.

N E W S R E L E A S E

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FOOT LOCKER, INC. AGREES TO PURCHASE APPROXIMATELY 350 FOOTACTION STORES FROM FOOTSTAR, INC.

- **Definitive Agreement for Purchase for \$160 Million**
- **Acquisition Expected to be Accretive to Foot Locker Earnings in the First Full Year of Operation**
- **Closing Subject to Approval from Bankruptcy Court**

NEW YORK, NY, April 13, 2004 – Foot Locker, Inc. (NYSE: FL), the New York-based specialty athletic retailer, today announced that it had signed a definitive agreement with Footstar, Inc. to purchase approximately 350 of its Footaction athletic footwear and apparel stores for \$160 million in cash. The proposed agreement is subject to certain closing adjustments.

Footstar, Inc. filed for Chapter 11 bankruptcy protection on March 2, 2004 and the agreement with Foot Locker will be entered into under a Bankruptcy Code Section 363 sale process. The agreement is therefore subject to approval by the Bankruptcy Court at a hearing expected to commence on April 21, 2004 and also requires approval under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Foot Locker, Inc. expects to close the transaction during its second fiscal quarter.

“The agreed upon purchase of the Footaction stores is in line with our previously stated strategic priorities, including the acquisition of compatible athletic footwear and apparel retail companies,” stated Matthew D. Serra, Foot Locker, Inc.’s Chairman and Chief Executive Officer. “Foot Locker, Inc.’s strong financial position enables the Company to readily complete this cash acquisition. It is expected that the proposed acquisition will be accretive to Foot Locker, Inc.’s diluted earnings per share within the first full year of operation. We anticipate offering employment to substantially all of the Footaction store associates.”

Dale Hilpert, Chairman and Chief Executive Officer of Footstar, Inc. stated “The agreed upon transaction with Foot Locker, Inc. meets our objectives to maximize value for our stakeholders, while providing continued employment opportunities for Footaction store associates. We believe that Foot Locker, Inc.’s strong financial position enables this transaction to be completed in a timely manner.”

Banc of America Securities LLC is serving as the exclusive financial advisor to Foot Locker, Inc.

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.

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