

# FOOT LOCKER, INC.

## Foot Locker, Inc. Announces Updated Strategic Growth Initiatives And Elevated Long-Term Financial Objectives

March 16, 2015

NEW YORK, March 16, 2015 /PRNewswire/ -- Richard Johnson, President and Chief Executive Officer of Foot Locker, Inc. (NYSE: [FL](#)) the New York-based specialty athletic retailer, and other members of the Company's senior management team today announced an updated set of growth initiatives, and a revised strategic framework, intended to further elevate its long-term financial performance for the period 2015 through 2020. The announcement came during an investor meeting the Company held this afternoon.

The Company initially articulated its strategic vision five years ago – to be the leading global retailer of athletically inspired shoes and apparel. The Company also established a set of strategic priorities to achieve its vision and ambitious long-range financial objectives to measure its progress. The Company updated those priorities and elevated its long-term financial goals in 2012.

"We have been intently focused on executing our strategies for several years now," said Mr. Johnson, "and four consecutive years of record-breaking financial results, including the very strong 2014 results that we announced on March 6<sup>th</sup>, have reinforced our conviction that these are fundamentally the right strategies on which the high-performing team at Foot Locker, Inc. should remain focused. We have achieved three of our most recent long-range objectives and have moved closer on all the others. As a consequence, our senior management team has recently revised the strategic framework within which to organize our growth initiatives and pursue our business priorities, and we have also raised the bar again on our long-term financial objectives."

The Company's updated strategic priorities are to:

- **Drive performance in the Core Business with compelling customer engagement**
- **Expand our leading position in the Kids' business**
- **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 our Women's business**
- **Build on our industry-leading team by embracing the power of our People**

The Company also significantly raised its new long-range financial objectives:

- **Sales of \$10 billion**
- **Sales per Gross Square Foot of \$600**
- **EBIT Margin of 12.5 percent**
- **Net Income Margin of 8.5 percent**
- **Return on Invested Capital of 17 percent**
- **Inventory Turnover of 3+ times**

"I want to extend my sincere thanks and appreciation to all of our associates around the globe for their exceptional dedication and excellent execution of our strategies, in the process driving our financial results to new heights over the last several years," added Mr. Johnson. "Setting new targets is easy. Reaching those new targets is not. Achieving even stronger levels of operational and financial performance will only be possible through the very diligent work of our outstanding team of associates, and the new framework allows us to focus even more clearly on the key initiatives that we believe will enable us to achieve our vision – to be the leading global retailer of athletically inspired shoes and apparel."

The meeting was webcast live this afternoon. A webcast replay will be available until 5pm ET on Friday, June 12, 2015 from the Investor Relations section of the Foot Locker, Inc. website at <http://www.footlocker-inc.com>.

Foot Locker, Inc. is a specialty athletic retailer that, as of January 31, 2015 operated 3,423 stores in 23 countries in North America, Europe, Australia, and New Zealand. Through its Foot Locker, Champs Sports, Kids Foot Locker, Footaction, Lady Foot Locker, SIX:02, Runners Point, and Sidestep retail stores, as well as its direct-to-customer channels, including footlocker.com, Eastbay.com, champs.com, and six02.com, the Company is a leading global retailer of athletic footwear and apparel.

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**Disclosure Regarding Forward-Looking Statements**

*This report contains forward-looking statements within the meaning of the federal securities laws. Other than statements of historical facts, all statements which address activities, events, or developments that the Company anticipates will or may occur in the future, including, but not limited to, such things as future capital expenditures, expansion, strategic plans, financial objectives, dividend payments, stock repurchases, growth of the Company's business and operations, including future cash flows, revenues, and earnings, and other such matters, are forward-looking statements. These forward-looking statements are based on many assumptions and factors which are 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), pandemics and similar major health concerns, unseasonable weather, deterioration of global financial markets, economic conditions worldwide, deterioration of business and economic conditions, 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 and strategic plans effectively with regard to each of its business units, and risks associated with global product sourcing, including political instability, changes in import regulations, and disruptions to transportation services and distribution.*

*For additional discussion on risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in the 2013 Annual Report on Form 10-K. 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.*

SOURCE Foot Locker, Inc.