

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 18, 2005

Foot Locker, Inc.

(Exact Name of Registrant as Specified in its Charter)

New York
(State or other Jurisdiction
of Incorporation)

1-10299
(Commission File Number)

13-3513936
(I.R.S. Employer
Identification No.)

112 West 34th Street, New York, New York
(Address of Principal Executive Offices)

10120
(Zip Code)

Registrant's telephone number, including area code: **212-720-3700**

Former Name/Address

(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. **Results of Operation and Financial Condition**

On May 18, 2005, Foot Locker, Inc. issued a press release announcing its operating results for the first quarter of 2005. A copy of the press release is furnished as Exhibit 99.1, which, in its entirety, is incorporated herein by reference.

Item 9.01. **Financial Statements and Exhibits.**

(c) Exhibits

99.1 Press Release of Foot Locker, Inc. dated May 18, 2005 reporting operating results for the first quarter of 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FOOT LOCKER, INC.

(Registrant)

Date: May 18, 2005

By: /s/ Bruce L. Hartman

Executive Vice President and Chief Financial Officer

FOOT LOCKER, INC.

NEWS RELEASE

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

FOOT LOCKER, INC. REPORTS FIRST QUARTER RESULTS

- **Total Sales Increased 16.1 Percent**
- **Net Income Per Share Increased 19 Percent to \$0.37**
- **Pre-tax Profit Increased 23 Percent**
- **Pre-tax Profit Margin Improved by 40 Basis Points**
- **Re-confirms Guidance on Full-Year EPS From Continuing Operations**

NEW YORK, NY, May 18, 2005 – Foot Locker, Inc. (NYSE: FL), the New York-based specialty athletic retailer, today reported financial results for its first quarter ended April 30, 2005.

Financial Results

Net income for the Company's first quarter ended April 30, 2005, increased 19 percent to \$0.37 per share, or \$58 million, from \$0.31 per share, or \$48 million last year. Included in last year's results was a gain of \$1 million related to discontinued operations. For the first quarter period, sales increased 16.1 percent to \$1,377 million this year compared with sales of \$1,186 million for the corresponding prior year period. First quarter comparable-store sales increased 2.6 percent.

"We are pleased that our pre-tax profit from continuing operations increased by 23 percent and, as a percentage of sales, by 40 basis points from the first quarter of last year," stated Matthew D. Serra, Foot Locker, Inc.'s Chairman and Chief Executive Officer. "Our earnings per share was at the high end of the guidance that we provided at the beginning of the quarter and, as a result, we remain comfortable that we will be able to continue to post income from continuing operations per share increases in the 10-to-20 percent range for the balance of 2005. We currently expect our second quarter earnings per share from continuing operations to increase towards the high end of this 10-to-20 percent range, with an opportunity to exceed this guidance if our current sales trend continues."

Mr. Serra continued, "One of Foot Locker, Inc.'s unique strengths is its diversified portfolio of businesses operating in global markets. As expected, our first quarter profit increase was driven by our combined United States store businesses, which benefited from increased sales of higher-priced marquee footwear that led to higher average selling prices. Increased profits by our highly suburban-based Champs Sports division, and earnings accretion from our recently acquired more urban-concentrated Footaction stores, both contributed to our improving first quarter results. While business remained challenging in the European markets where we operate, our divisional profit and profit margin at Foot Locker Europe was strong."

Store Base Update

During the first quarter, the Company opened 23 new stores; remodeled/relocated 90 stores and closed 62 stores. At April 30, 2005, the Company operated 3,928 stores in 18 countries in North America, Europe and Australia. This represents an increase of 341 stores, or approximately 10 percent versus the first quarter of last year, primarily as a result of our acquisition of the Footaction chain.

Foot Locker, Inc. 112 West 34th Street, New York, NY 10120

The Company is hosting a live conference call at 10:00 a.m. (EDT) on Thursday, May 19, 2005 to discuss these results and provide guidance with regard to its earnings outlook for 2005. This conference call may be accessed live from the Investor Relations section of the Foot Locker, Inc. website at <http://www.footlocker-inc.com>. The conference call will be available for webcast replay until 5:00 pm on Monday, May 30, 2005.

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, 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 and the ability of the Company to execute its business plans effectively with regard to each of its business units. 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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FOOT LOCKER, INC.
Condensed Consolidated Statements of Operations
(unaudited)
Periods ended April 30, 2005 and May 1, 2004
(In millions, except per share amounts)

	First Quarter 2005	First Quarter 2004
Sales	\$ 1,377	\$ 1,186
Cost of sales ⁽¹⁾	959	825
Selling, general and administrative expenses	283	248
Depreciation and amortization ⁽¹⁾	41	35
Interest expense, net	3	4
	<u>1,286</u>	<u>1,112</u>
Income from continuing operations before income taxes	91	74
Income tax expense	33	27
Income from continuing operations	58	47
Income on disposal of discontinued operations, net of tax	—	1
Net income	<u>\$ 58</u>	<u>\$ 48</u>
<u>Diluted EPS:</u>		
Income from continuing operations	\$ 0.37	\$ 0.31
Income on disposal of discontinued operations, net of tax	—	—
Net income	<u>\$ 0.37</u>	<u>\$ 0.31</u>
Weighted-average diluted shares outstanding	158.1	156.2

- (1) Certain amounts in the prior fiscal year have been reclassified to conform to the presentation in the current fiscal year related to the accounting for construction allowances received from landlords.

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FOOT LOCKER, INC.
Condensed Consolidated Balance Sheets
(unaudited)
(In millions)

	<u>April 30,</u> <u>2005</u>	<u>May 1,</u> <u>2004</u>
Assets		
CURRENT ASSETS		
Cash, cash equivalents and short-term investments	\$ 405	\$ 392
Merchandise inventories	1,320	1,051
Other current assets	165	153
	<u>1,890</u>	<u>1,596</u>
Property and equipment, net ⁽¹⁾	710	664
Deferred tax assets	181	191
Other assets	505	333
	<u>\$ 3,286</u>	<u>\$ 2,784</u>
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES		
Accounts payable	\$ 439	\$ 370
Accrued and other liabilities	318	288
Current portion of long-term debt and obligations under capital leases	—	150
	<u>757</u>	<u>808</u>
Long-term debt and obligations under capital leases ⁽²⁾	347	182
Other liabilities ^{(1) (2)}	299	379
SHAREHOLDERS' EQUITY	<u>1,883</u>	<u>1,415</u>
	<u>\$ 3,286</u>	<u>\$ 2,784</u>

(1) Certain balances in the prior fiscal year have been reclassified to conform to the presentation in the current fiscal year related to the accounting for construction allowances received from landlords.

(2) Long-term debt and obligations under capital leases increased by \$4 million in 2005 and were reduced by \$5 million in 2004 representing the fair value of interest rate swaps related to the Company's 8 ½% debentures due in 2022.

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FOOT LOCKER, INC.
Store and Estimated Square Footage
(unaudited)
(Square footage in thousands)

	April 30, 2005	May 1, 2004	January 29, 2005
Foot Locker U.S.			
Number of stores	1,403	1,436	1,428
Gross square footage	5,705	5,849	5,809
Selling square footage	3,337	3,402	3,390
Footaction			
Number of stores	350	—	349
Gross square footage	1,685	—	1,683
Selling square footage	1,049	—	1,049
Lady Foot Locker			
Number of stores	555	570	567
Gross square footage	1,242	1,270	1,265
Selling square footage	696	707	705
Kids Foot Locker			
Number of stores	336	350	346
Gross square footage	812	846	837
Selling square footage	484	504	497
Champs Sports			
Number of stores	566	580	570
Gross square footage	3,149	3,227	3,173
Selling square footage	2,160	2,221	2,178
Foot Locker International			
Number of stores	718	651	707
Gross square footage	2,058	1,864	2,013
Selling square footage	1,094	1,005	1,069
Total Athletic Group			
Number of stores	3,928	3,587	3,967
Gross square footage	14,651	13,056	14,780
Selling square footage	8,820	7,839	8,888

