SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to sec.240.14a-11(c) or sec.240.14a-12

Venator Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

[VENATOR GROUP LOGO]

June 15, 1999

Dear Shareholder:

We are pleased to invite you to attend the 1999 annual meeting of shareholders of Venator Group, Inc., which will be held on Friday, July 16, 1999, at 1:00 P.M., local time, at the headquarters of our Champs Sports division located at 311 Manatee Avenue West, Bradenton, Florida 34205.

The items to be considered and voted on at the meeting are described in the notice of the 1999 annual meeting of shareholders and proxy statement accompanying this letter.

We understand that you may receive proxy soliciting materials from Greenway Partners, L.P. ("Greenway") in connection with items Greenway intends to present at the meeting. These items are a slate of directors chosen by Greenway and proposals relating to a change of the Company's name and the Company's Shareholder Rights Plan. The Board of Directors believes that these proposals are not in the best interests of the Company and its shareholders and urges you to vote against these proposals.

If you plan to attend the annual meeting, please mark the appropriate box on the enclosed WHITE proxy card and return your completed WHITE proxy card promptly so we can mail an admission ticket to you. If your shares are not registered in your own name and you would like to attend the meeting, please ask the broker, trust, bank or other nominee that holds the shares to provide you with evidence of your share ownership, as of the record date, in order to be admitted to the meeting. Attendance at the meeting will be limited to shareholders as of the record date (or authorized representatives) having an admission ticket or evidence of their share ownership, and guests of the Company.

YOUR VOTE IS IMPORTANT. WE ENCOURAGE YOU TO VOTE YOUR SHARES AS SOON AS POSSIBLE. IF YOU HAVE ANY QUESTIONS OR NEED ASSISTANCE IN VOTING YOUR SHARES, PLEASE CALL OUR PROXY SOLICITOR, INNISFREE M&A INCORPORATED, TOLL FREE AT 1-888-750-5834.

SINCERELY,

/s/ Roger N. Farah
ROGER N. FARAH
Chairman of the Board and
Chief Executive Officer

/s/ Dale W. Hilpert
DALE W. HILPERT
President and
Chief Operating Officer

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VENATOR GROUP, INC.
233 BROADWAY
NEW YORK, NEW YORK 10279

NOTICE OF 1999 ANNUAL MEETING OF SHAREHOLDERS

DATE:	July 16, 1999
TIME:	1:00 P.M., local time
PLACE:	Champs Sports, 311 Manatee Avenue West, Bradenton, Florida 34205
RECORD DATE:	June 7, 1999

The meeting is being held for the following purposes:

1. To elect four directors in Class II to serve for three-year terms expiring at the 2002 annual meeting of shareholders. The Board of Directors recommends a vote FOR the election of the existing director nominees proposed for reelection by the Company, as described in the Company's proxy statement.

2. To ratify the appointment by the Board of Directors of KPMG LLP as independent accountants of the Company for the 1999 fiscal year. The Board of Directors recommends a vote FOR this proposal.

3. To vote on certain proposals of Greenway Partners, L.P., if properly presented, as described in the Company's proxy statement relating to (i) a change in the Company's name and (ii) the Company's Rights Plan. The Board of Directors recommends a vote AGAINST each of these proposals.

4. To transact such other business as may properly come before the meeting, or at any adjournments or any postponements thereof.

The above matters are more fully described in the accompanying proxy statement.

By Order of the Board of Directors
GARY M. BAHLER
Secretary

June 15, 1999

VENATOR GROUP, INC.
233 BROADWAY
NEW YORK, NEW YORK 10279

PROXY STATEMENT

This proxy statement is being furnished to shareholders of Venator Group, Inc., a New York corporation (the "Company"), in connection with the solicitation by the Board of Directors of proxies to be voted at the annual meeting of shareholders to be held on July 16, 1999, and at any adjournments or postponements thereof. This proxy statement and the proxy card are first being mailed to shareholders on or about June 15, 1999.

The Company's Annual Report for the fiscal year ended January 30, 1999 ("1998") has been mailed to each shareholder of record. You may obtain without charge a copy of the Company's 1998 Form 10-K, exclusive of certain exhibits, by writing to the Investor Relations Department, Venator Group, Inc., 233 Broadway, New York, New York 10279.

The enclosed WHITE proxy card shows the number of shares of Common Stock registered in the name of each shareholder of record on June 7, 1999. Proxies furnished to employees also show the number of shares held in the Company's 401(k) Plan, if applicable.

Greenway Partners, L.P. ("Greenway") has nominated four individuals for election to the Board of Directors in opposition to the Company's nominees for election to the Board of Directors. Greenway also has stated that it intends to present proposals concerning (i) a non-binding recommendation that the Company change its name and (ii) a non-binding recommendation concerning the termination of the Shareholder Rights Plan (the "Greenway Proposals"). Accordingly, the Board of Directors is soliciting votes FOR the Company's slate of nominees for election to the Board of Directors, FOR the ratification of the appointment of KPMG LLP as independent accountants for the 1999 fiscal year ("1999") and AGAINST the Greenway Proposals. Unless contrary instructions are indicated on the WHITE proxy card, all shares represented by valid proxies received pursuant to this solicitation (and not revoked) will be voted FOR the election of all of the Company's nominees for directors named in this proxy statement, FOR the ratification of the appointment of KPMG LLP as independent accountants for 1999 and AGAINST the two Greenway Proposals. If you specify a different choice on the proxy card, your shares will be voted as specified.

VOTING AND REVOCABILITY OF PROXIES

You are urged to sign and date the enclosed WHITE proxy card and return it in the enclosed prepaid envelope whether or not you plan to attend the meeting. A shareholder may revoke any proxy (whether such proxy was solicited by the Company or by Greenway) at any time prior to its use by submitting to the Company or to Greenway a written revocation or duly executed proxy bearing a later date. In addition, any shareholder who attends the meeting in person may vote by ballot at the meeting, thereby canceling any proxy previously given.

OUTSTANDING VOTING STOCK

The only voting securities of the Company are the shares of Common Stock. Only shareholders of record on the books of the Company at the close of business on June 7, 1999 are entitled to vote at the annual meeting and any adjournments or postponements thereof. Each share is entitled to one vote. There were 137,363,467 shares of Common Stock outstanding on the record date. Under the Company's By-laws, the holders of a majority of the shares entitled to vote thereat must be present in person or by proxy to constitute a quorum for the transaction of business.

VOTE REQUIRED

Director nominees who receive the greatest number of votes cast at the meeting will be elected as directors. The affirmative vote of the holders of a majority of the votes cast at the meeting will be required to approve each other proposal.

METHOD OF COUNTING VOTES

Votes will be counted and certified by independent inspectors of election. Under the rules of the Securities and Exchange Commission ("SEC"), boxes and a designated blank space are provided on the proxy card for you to mark if you wish to vote "for" or "against" or "abstain" from voting on one or more of the proposals, or to withhold authority to vote for one or more of the nominees for director. New York law and the Company's By-laws require the presence of a quorum at the annual meeting. Under New York law, abstentions are not counted in determining the votes cast for any proposal. Votes withheld in connection with the election of one or more of the nominees for director will not be counted as votes cast for those individuals. Broker non-votes, which occur when brokers do not receive voting instructions from their customers on non-routine matters and, consequently, have no discretion to vote on those matters, are not counted as votes cast for any proposal.

The Company's Certificate of Incorporation and By-laws do not contain any provisions with respect to the effect of abstentions or broker non-votes.

METHOD AND COST OF PROXY SOLICITATION

Proxies may be solicited, without additional compensation, by directors, officers or employees of the Company by mail, telephone, facsimile, telegram, in person or otherwise. The Company will bear the cost of the solicitation of proxies, including the preparation, printing and mailing of the proxy materials. In addition, the Company will request banks, brokers and other custodians, nominees and fiduciaries to forward proxy material to the beneficial owners of the Company's stock and obtain their voting instructions. The Company will reimburse those firms for their expenses in accordance with the rules of the SEC and New York Stock Exchange. In addition, the Company has retained Innisfree M&A Incorporated ("Innisfree") to assist in the solicitation of proxies for a fee of $100,000 plus out of pocket expenses. Innisfree will employ approximately 75 people to solicit the Company's shareholders.

Expenses related to the solicitation of shareholders, in excess of those normally spent for an annual meeting, are expected to aggregate approximately $500,000, of which approximately $75,000 has been spent to date. Appendix A sets forth certain information relating to the Company's directors, nominees, officers and other employees of the Company who will be soliciting proxies on the Company's behalf ("Participants").

YOUR VOTE AT THIS YEAR'S ANNUAL MEETING IS ESPECIALLY IMPORTANT. PLEASE SIGN AND DATE THE ENCLOSED WHITE PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE PROMPTLY.

WE URGE YOU NOT TO SIGN OR RETURN ANY PROXY CARD THAT MAY BE SENT TO YOU BY GREENWAY, EVEN AS A PROTEST VOTE AGAINST GREENWAY. If you previously voted on a Greenway proxy card, you have every legal right to change your vote. You can do so simply by signing, dating and returning the enclosed WHITE proxy card. ONLY YOUR LATEST DATED PROXY CARD WILL COUNT.

IMPORTANT: If your shares of the Company's stock are held in the name of a brokerage firm, bank, nominee or other institution, only it can sign a WHITE proxy card with respect to your shares and only upon specific instructions from you. Please contact the person responsible for your account and give instructions for a WHITE proxy card to be signed representing your shares of the Company's stock. We urge you to confirm in writing your instructions to the person responsible for your account and to provide a copy of such instructions to the Company's proxy solicitor, Innisfree, at the address indicated below so that Innisfree can attempt to ensure that your instructions are followed.

If you have any questions about executing your proxy or require assistance, please contact:

INNISFREE M&A INCORPORATED
501 Madison Avenue, 20th Floor
New York, New York 10022
Call Toll Free: (888) 750-5834

Banks and Brokerage Firms please call collect: (212) 750-5833

BENEFICIAL OWNERSHIP OF THE COMPANY'S STOCK

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth, as reported to the Company, the number of shares of Common Stock beneficially owned as of June 1, 1999, by each of the directors and named executive officers. The table also shows the beneficial ownership of the Company's stock by all directors, named executive officers and executive officers as a group on that date, including shares of Common Stock that they have a right to acquire within 60 days after June 1, 1999 by the exercise of options that have been granted under the Company's stock option plans.

Excluding Roger N. Farah, no director, named executive director or executive officer beneficially owned one percent or more of the total number of outstanding shares of Common Stock as of June 1, 1999. Mr. Farah beneficially owned 1.01 percent as of this date.

Except as otherwise noted in a footnote below, each person has sole voting and investment power with respect to the number of shares shown.

NAME	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP
J. Carter Bacot	4,490
M. Jeffrey Branman	226,773(a)
Purdy Crawford	11,782
John E. DeWolf III	106,666(b)
Roger N. Farah	1,380,979(c)
Philip H. Geier Jr.	11,782
Jarobin Gilbert Jr.	2,008
Dale W. Hilpert	667,351(d)
Reid Johnson	5,000
Allan Z. Loren	888
Margaret P. MacKimm	5,990
John J. Mackowski	6,855
James E. Preston	25,915(e)
Christopher A. Sinclair	3,882
All 21 directors and executive officers as a group, including the named executive officers	2,980,647(f)

(a) Includes 40,000 shares of restricted stock granted on February 1, 1999; 141,666 shares that may be acquired by the exercise of stock options; 29,786 shares issued on April 16, 1999 in payment of 50 percent of his long-term bonus for 1996-1998; and 275 shares held in the Company's 401(k) Plan.

(b) Includes 40,000 shares of restricted stock granted on February 1, 1999, and 66,666 shares that may be acquired by the exercise of stock options.

(c) Includes 275,000 shares of restricted stock granted on April 26, 1999; 115,488 shares issued on April 16, 1999 in payment of 50 percent of his long-term bonus for 1996-1998; 800,000 shares that may be acquired by the exercise of stock options; and 314 shares held in the Company's 401(k) Plan.

(d) Includes 100,000 shares of restricted stock granted on February 1, 1999; 57,744 shares issued on April 16, 1999 in payment of 50 percent of his long-term bonus for 1996-1998; 499,999 shares that may be acquired by the exercise of stock options and 2,239 shares held in the Company's 401(k) Plan.

(e) Excludes 50 shares of Common Stock owned by Mr. Preston's stepchildren, with respect to which Mr. Preston disclaims beneficial ownership.

(f) This figure represents approximately 2.17 percent of the shares of Common Stock outstanding at the close of business on June 1, 1999. It includes all of the shares referred to in footnotes (a) through (e)

above, a total of 316,961 shares that may be acquired within 60 days after June 1, 1999 by executive officers of the Company (excluding the named executive officers) by the exercise of stock options, and 3,220 shares held by executive officers (excluding the named executive officers) in the Company's 401(k) Plan.

PERSONS OWNING MORE THAN FIVE PERCENT OF THE COMPANY'S STOCK

Following is information with respect to shareholders who beneficially own more than five percent of the Company's Common Stock. This information is derived from documents filed by those shareholders with the SEC. To the best knowledge of the Company, there are no other shareholders who beneficially own more than five percent of a class of the Company's voting securities.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Greenway Partners, L.P. Greentree Partners, L.P. Greenhut, L.L.C., Greenbelt Corp., Greenhouse Partners, L.P., Greenhut Overseas, L.L.C., Alfred D. Kingsley, Gary K. Duberstein, and Howard Stein 277 Park Avenue New York, NY 10172, and	19,649,612(a)	14.4%(a)
Andrew P. Hines 100 Sea Horse Drive Waukegan, IL 60085	(a)	
AXA Assurance I.A.R.D. Mutuelle and AXA Assurances Vie Mutuelle 21, rue de Chateaudin 75009 Paris, France	13,684,101(b)	10.4%(b)
AXA Conseil Vie Assurance Mutuelle 100-101 Terasse Boieldieu 92042 Paris La Defense France	(b)	
AXA Courtage Assurance Mutuelle 26, rue Louis le Grand 75002 Paris, France	(b)	
The Equitable Companies Incorporated 1290 Avenue of the Americas New York, New York 10104	(b)	
AXA 9 Place Vendome 75001 Paris, France	(b)	
Mellon Bank Corporation One Mellon Bank Center Pittsburgh, PA 15258	7,795,653(c)	5.74%(c)
Sasco Capital, Inc. 10 Sasco Hill Road Fairfield, CT 06430	6,940,213(d)	5.1%(d)

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(a) Reflects shares beneficially owned as of April 30, 1999, according to a preliminary proxy statement dated April 30, 1999 filed by Greenway Partners, L.P. with the SEC. As reported, Greenway Partners, L.P. holds sole voting and dispositive power with respect to 2,350,000 shares; Greentree Partners, L.P. holds sole voting and dispositive power with respect to 1,500,900 shares; Greenhouse Partners, L.P. holds shared voting and dispositive power with respect to 2,350,000 shares; Greenhut, L.L.C. holds shared

voting and dispositive power with respect to 1,500,900 shares; Greenbelt Corp. holds sole voting and dispositive power with respect to 12,886,322 shares; Greensea Offshore, L.P. holds sole voting and dispositive power with respect to 2,250,000 shares; Greenhut Overseas, L.L.C. holds shared voting and dispositive power with respect to 2,250,000 shares; Alfred D. Kingsley holds sole voting and dispositive power with respect to 541,800 shares; Alfred D. Kingsley and Gary K. Duberstein hold shared voting and dispositive power with respect to 18,987,222 shares; Andrew P. Hines holds sole voting and dispositive power with respect to 590 shares; and Howard Stein holds sole voting and dispositive power with respect to 120,000 shares.

(b) Reflects shares beneficially owned as of January 31, 1999 according to a statement on Schedule 13G filed with the SEC. As reported in the 13G, the parent holding companies -- AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, AXA Conseil Vie Assurance Mutuelle, AXA Courtage Assurance Mutuelle and AXA -- hold sole voting power with respect to 1,020,101 shares; sole dispositive power with respect to 13,257,001 shares; shared voting power with respect to 12,632,900 shares and shared dispositive power with respect to 427,100 shares. The Equitable Companies Incorporated, a parent holding company, holds sole voting power with respect to 590,001 shares; sole dispositive power with respect to 13,254,001 shares and shared voting power with respect to 12,632,900 shares.

(c) Reflects shares beneficially owned as of December 31, 1998, according to a statement on Schedule 13G filed with the SEC. Mellon Bank Corporation, a parent holding company, reported that it holds sole voting power with respect to 6,138,212 shares; sole dispositive power with respect to 7,501,655 shares; shared voting power with respect to 841 shares and shared dispositive power with respect to 107,243 shares. All of the shares are held by Mellon Bank Corporation and its direct or indirect subsidiaries in their various fiduciary capacities.

(d) Reflects shares beneficially owned as of February 22, 1999 according to a statement on Schedule 13G filed with the SEC. Sasco Capital, Inc. reported that it has beneficial ownership to direct the disposition of 6,940,213 shares and has the sole power to vote 4,294,621 shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 (the "Exchange Act") requires that the Company's directors, executive officers and beneficial owners of more than 10 percent of the Company's Common Stock file with the SEC and the New York Stock Exchange reports of ownership and changes in ownership of Common Stock and other equity securities of the Company. These persons are required by SEC rules to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of those reports furnished to the Company or written representations that no other reports were required, the Company believes that during the 1998 fiscal year, the directors, executive officers and beneficial owners of more than 10 percent of the Company's Common Stock complied with all applicable SEC filing requirements.

CORPORATE GOVERNANCE

The following is a summary of the Company's principal corporate governance practices and policies.

INDEPENDENT BOARD OF DIRECTORS AND COMMITTEES

Only two of the 11 current members of the Board of Directors also serve as officers of the Company and, at present, all of the committees of the Board (other than the Executive Committee and the Retirement Administration Committee) are composed entirely of outside directors. All members of the Compensation Committee are directors meeting the criteria established for outside directors in the regulations under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and for non-employee directors under Section 16 of the Exchange Act. The Audit Committee is composed entirely of non-employee directors, as required by the rules of the New York Stock Exchange. At least once a year, the outside directors meet without the presence of management.

PAYMENT OF DIRECTORS FEES IN STOCK

Under the Directors' Stock Plan, one-half of the annual fee payable to directors for their Board service is paid in shares of the Company's Common Stock, with the balance payable in cash. Directors may elect to receive up to 100 percent of their fees in stock.

DIRECTOR RETIREMENT

The Company's retirement policy for directors is that no person may be nominated or stand for election as a director after reaching age 72. The Company discontinued its retirement plan for directors in 1995, and only four directors, who were then serving and had at least five years of service, will receive payments under the plan. In the event a non-employee director of the Company changes his or her principal business position or affiliation, including through retirement, the Board of Directors reviews and considers the appropriateness of the individual's continued participation as a member of the Board under those changed circumstances. As discussed below under the caption "GREENWAY SOLICITATION -- Election of Directors," the Company will not apply the retirement policy in connection with Greenway's nomination of Howard Stein, who is 72 years of age.

CONFIDENTIAL VOTING

The Company has a policy that shareholders be provided privacy in voting. All proxy cards, voting instructions, ballots and voting tabulations identifying shareholders are held permanently confidential from the Company, except as (i) as necessary to meet any applicable legal requirements, (ii) when disclosure is expressly requested by a shareholder or where a shareholder makes a written comment on a proxy card, (iii) in a contested proxy solicitation, or (iv) to allow independent election inspectors to tabulate and certify the vote. The tabulators and inspectors of election are independent and are not employees of the Company. In the event that Greenway solicits proxies in support of its slate of nominees and in support of the Greenway Proposals, there will be a contested proxy solicitation within the meaning of the Company's confidential voting policy.

SHAREHOLDER RIGHTS PLAN

The Company has had a Shareholder Rights Plan in place since 1988, and, last year, the Board of Directors adopted a new Rights Plan along the lines of the Plan originally adopted in 1988.

The Board recently adopted certain amendments to the Rights Plan that would make the Rights Plan inapplicable to certain kinds of offers to purchase all of the Company's Common Stock that meet the criteria specified for "qualifying offers." In general, the requirements for a qualifying offer are as follows:

- The person making the offer to purchase the stock (the "Offeror") has provided firm written financial commitments from responsible financial institutions for any cash portion of the purchase price and the opinion of a nationally recognized investment bank with respect to the value of any securities portion of the purchase price.

- The offer to purchase the Company's Common Stock remains open for at least 120 days.

- The Offeror makes an irrevocable written commitment (1) to purchase those shares that were not acquired through the original offer for the same price paid for the shares that were acquired through the original offer, (2) that the Offeror will not materially amend the offer except to increase the offering price, and (3) that the Offeror will not make any offer for the Company's stock for six months after the commencement of the original offer.

- After the consummation of the transaction, the Offeror owns at least 80 percent of the outstanding Common Stock.

In addition, the Independent Directors, defined in the Rights Plan as directors who are not current or former officers of the Company, holders of five percent or more of the Company's shares, or the persons

making the tender offer, have the discretion to shorten the time periods related to the qualifying offer provisions.

BOARD OF DIRECTORS

ORGANIZATION AND POWERS

The Board of Directors has responsibility for establishing broad corporate policies, reviewing significant developments affecting the Company, and monitoring the general performance of the Company. The Company's By-laws provide for a Board of Directors consisting of not less than 9 nor more than 17 directors, the exact number to be determined, from time to time, by resolution adopted by a majority of the entire Board. The size of the Board is presently fixed at 11 directors.

In 1999 the Board of Directors is scheduled to hold six regular meetings. During 1998, the Board held eight meetings. During 1998, each director, other than Allan Z. Loren, attended at least 75 percent of the aggregate total number of meetings of the Board and of meetings held by all committees of which he or she was a member. Because Mr. Loren was unable to attend two non-regular meetings, his attendance fell below 75 percent.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has delegated certain duties to committees, which assist the Board in carrying out its responsibilities. Each director serves on one or more committees. There are six standing committees of the Board. The committee memberships, the number of meetings held in 1998, and the functions of the committees are described below.

AUDIT COMMITTEE. The members of the committee are John J. Mackowski (Chairman), Purdy Crawford, Jarobin Gilbert Jr. and Allan Z. Loren. The committee met five times during 1998.

The committee evaluates and reviews such matters as the Company's systems of internal accounting controls and the scope and results of the Company's internal audit procedures. The committee also recommends to the Board the appointment of the Company's independent accountants, reviews the scope and results of their audit and approves their audit and non-audit fees. The committee has direct channels of communication with the Company's independent accountants and internal audit staff, including meeting with them, both with and without the presence of Company management, to discuss and review issues as appropriate. The committee also meets with the Company's financial personnel and general counsel to review their various activities and findings. While it is the responsibility of management to design and implement an effective system of internal accounting controls, it is the responsibility of the committee to ensure that management has done so. It is also the responsibility of the committee to review periodically the adequacy, management and effectiveness of the Company's information systems.

ACQUISITIONS AND FINANCE COMMITTEE. The members of the committee are J. Carter Bacot (Chairman), James E. Preston and Christopher A. Sinclair. The committee held one meeting in 1998.

The committee considers proposals concerning mergers, combinations, acquisitions, sales, or offers to purchase the Company's shares or significant assets. In addition, the committee reviews certain proposed acquisitions by the Company of shares or assets of third parties, and it considers proposed debt or equity issues of the Company.

COMPENSATION COMMITTEE. The members of the committee are James E. Preston (Chairman), Philip H. Geier Jr. and Margaret P. MacKimm. The committee met three times during 1998.

The committee establishes and approves compensation plans and goals, salaries, incentives and other forms of compensation for the Company's officers and for certain other executives of the Company and its major subsidiaries and operating divisions. The committee administers the Annual Incentive Compensation Plan, the Long-Term Incentive Compensation Plan, the Supplemental Executive Retirement Plan, the

Executive Supplemental Retirement Plan, the Voluntary Deferred Compensation Plan, and may take certain actions with respect to the Trust (as defined on page 22). The committee also administers the 1994 Venator Group Employees Stock Purchase Plan, administers and grants options under the 1995 Stock Option and Award Plan and the 1998 Stock Option and Award Plan and administers the 1986 Stock Option Plan and the Eastbay, Inc. 1994 Stock Incentive Plan. Members of the committee are not eligible to participate in any of these plans.

EXECUTIVE COMMITTEE. The members of the committee are Roger N. Farah (Chairman) and all of the non-employee directors. The committee did not meet in 1998.

Except for certain matters reserved to the Board, the committee has all of the powers of the Board in the management of the business of the Company during intervals between Board meetings.

NOMINATING AND ORGANIZATION COMMITTEE. The members of the committee are Jarobin Gilbert Jr. (Chairman), J. Carter Bacot and James E. Preston. The committee held one meeting in 1998.

The committee makes recommendations to the Board with respect to the size and composition of the Board and the Company's internal organizational structure. In addition, the committee reviews the qualifications of candidates, and makes recommendations to the Board with respect to nominees, for election as directors. The committee may also consider nominees recommended by shareholders in accordance with the procedures described on page 33.

RETIREMENT INVESTMENT COMMITTEE. The members of the committee are Margaret P. MacKimm (Chairman), Purdy Crawford and John J. Mackowski. The committee met two times in 1998.

The committee has responsibility to supervise the investment of the assets of the retirement plans of the Company and to appoint, review the performance of and, if appropriate, replace, the trustee of the Company's pension trust and the managers responsible for managing the funds of such trust.

In addition, the Board has established a Retirement Administration Committee, composed of certain officers of the Company, to which the Board has delegated certain administrative responsibilities with regard to the retirement plans of the Company.

DIRECTORS COMPENSATION AND BENEFITS

Non-employee directors of the Company receive an annual retainer of $40,000. The committee chairmen receive an additional annual retainer of $3,000. No separate fees are paid for attendance at Board or committee meetings. One-half of the annual retainer is required to be paid in shares of the Company's Common Stock under the Directors' Stock Plan, with the balance payable in cash. Directors may elect to receive up to 100 percent of their annual retainer in shares of stock. The number of shares received under the plan is determined by dividing the applicable retainer amount by the average price of a share of stock on the last business day preceding July 1 of each year. In addition, directors are reimbursed for their reasonable expenses in attending meetings of the Board and committees, including travel expenses to and from meetings.

The Directors' Retirement Plan was frozen as of December 31, 1995. Consequently, only four of the current directors are entitled to receive a retirement benefit under this plan because they had completed at least five years of service as a director on the date the plan was frozen and they are not entitled to receive a retirement benefit under any of the Company's other retirement plans or programs. Under the Directors' Retirement Plan, an annual retirement benefit of $24,000 will be paid to a qualified director for the lesser of the number of years of his or her service as a director or 10 years. Payment of benefits under this plan generally begins on the later of the director's termination of service as a director or the attainment of age 65. Directors with less than five years of service at December 31, 1995 and directors who are elected after this date are not eligible to participate in the Directors' Retirement Plan.

At the Company's request, during 1998 Jarobin Gilbert Jr. served on the Supervisory Board of F.W. Woolworth Co. GmbH ("FWW Germany"), a former subsidiary of the Company. In connection with this service, Mr. Gilbert received a fee of DM 11,250 (approximately U.S. $6,325) and reimbursement for

reasonable expenses in attending meetings of the Supervisory Board. The Company sold FWW Germany in October 1998, and Mr. Gilbert's membership on the Supervisory Board ended at that time. Pursuant to a consulting arrangement with DBSS Group, Inc. ("DBSS"), of which Mr. Gilbert is the President and Chief Executive Officer, the Company paid a fee of $15,000 to DBSS for consulting services rendered by Mr. Gilbert during 1998 related to the Company's businesses in Germany. The Company and DBSS terminated this consulting arrangement following the Company's sale of FWW Germany in October 1998.

DIRECTORS AND OFFICERS INDEMNIFICATION AND INSURANCE

The Company has purchased directors and officers liability and corporation reimbursement insurance from National Union Fire Insurance Company of Pittsburgh, Pa., The Great American Insurance Companies, The Chubb Group of Insurance Companies and Executive Risk Indemnity, Inc. These policies insure the Company and all of the Company's wholly owned subsidiaries. They also insure all of the directors and officers of the Company and the covered subsidiaries. The policies were written for a term of 36 months, from September 12, 1998 until September 12, 2001. The total annual premium for these policies is $419,903. Directors and officers of the Company, as well as all other employees with fiduciary responsibilities under the Employee Retirement Income Security Act of 1974, as amended, are insured under policies issued by Federal Insurance Company and National Union Fire Insurance Company, which have a total premium of $104,249 for the 12-month period ending September 12, 1999.

In accordance with the indemnification provisions of the Company's By-laws, the Company paid legal fees and expenses totaling approximately $58,265 during 1998 on behalf of certain of the Company's former officers who were named as individual defendants in the litigation captioned In re Woolworth Corporation Securities Class Action Litigation, which had been settled during 1998. The amounts paid in 1998 were covered under the Company's directors and officers liability insurance policies in effect during the applicable period.

The Company has entered into indemnification agreements with its directors and executive officers, as approved by shareholders at the 1987 annual meeting.

TRANSACTIONS WITH MANAGEMENT AND OTHERS

The Company and its subsidiaries have had transactions in the normal course of business with various other corporations, including certain corporations whose directors or officers are also directors of the Company. The amounts involved in these transactions have not been material in relation to the businesses of the Company or its subsidiaries, and it is believed that these amounts have not been material in relation to the businesses of the other corporations. In addition, it is believed that these transactions have been on terms no less favorable to the Company than if they had been entered into with disinterested parties. It is anticipated that transactions with such other corporations will continue in the future.

The Company had a consulting arrangement with DBSS, of which Jarobin Gilbert Jr. is the President and Chief Executive Officer. Under this arrangement, Mr. Gilbert provided consulting services to the Company related to the Company's businesses in Germany. The Company and DBSS terminated this arrangement following the sale of FWW Germany in October 1998. During 1998, the Company paid fees of $15,000 to DBSS.

Purdy Crawford is Honorary Counsel to the Canadian law firm of Osler, Hoskin & Harcourt, which provided legal services to the Company in 1998. Mr. Crawford received no remuneration from the firm in 1998.

PROPOSAL 1. ELECTION OF DIRECTORS

The Company's Certificate of Incorporation provides that the members of the Board of Directors be divided into three classes serving staggered three-year terms, each class to be as nearly equal in number as the other two. The terms of the four directors who constitute Class II expire at the 1999 annual meeting upon the election and qualification of their successors.

J. Carter Bacot, Purdy Crawford, Philip H. Geier Jr. and Dale W. Hilpert will be considered for election as directors in Class II, each to hold office for a three-year term expiring at the annual meeting in 2002. The seven remaining directors will continue in office, in accordance with their previous elections, until the expiration of the terms of their classes at the 2000 or 2001 annual meeting. Each nominee has been nominated by the Board of Directors for election and has consented to serve for the specified term. All of the nominees are presently serving as directors, having been elected to serve for their present terms at the annual meeting in 1996.

If, prior to the annual meeting, any of the four nominees becomes unable to serve as a director for any reason, the persons designated as proxies on the enclosed proxy card will have full discretion to vote the shares represented by proxies held by them for another person to serve as a director in place of that nominee.

Biographical information follows for each of the four nominees and for each of the seven other directors of the Company whose present terms as directors will continue after the 1999 annual meeting. Any reference to a person's tenure as a director of the Company includes service as a director of Venator Group Specialty, Inc. (formerly named F.W. Woolworth Co.) for the period prior to the 1989 share exchange between the Company and Venator Group Specialty, Inc.

There are no family relationships among the directors or executive officers of the Company.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION TO THE BOARD OF DIRECTORS OF EACH OF THE COMPANY'S NOMINEES IDENTIFIED FOR REELECTION.

NOMINEES FOR DIRECTORS TERMS EXPIRING IN 2002

[BACOT PHOTO]

J. CARTER BACOT. Age 66. Director since 1993. Chairman of the Board of The Bank of New York Company, Inc. (bank holding company) and of The Bank of New York, its wholly owned subsidiary, from 1982 to February 7, 1998; Chief Executive Officer of The Bank of New York Company, Inc. and of The Bank of New York from 1982 to July 1, 1997. He is a trustee of Atlantic Mutual Insurance Company and a director of its subsidiaries, Atlantic Specialty Insurance Company and Centennial Insurance Company; and a director of The Bank of New York Company, Inc., Time Warner, Inc., Associates First Capital Corporation, Phoenix Home Life Mutual Insurance Company and United Way of New York City. He is also a Trustee of Hamilton College.

[CRAWFORD PHOTO]

PURDY CRAWFORD. Age 67. Director since 1995. Chairman of the Board of Imasco Limited (Canada) (consumer products and services) since 1987 and its Chief Executive Officer from 1987 to 1995. He is also Chairman of the Board of CT Financial Services Inc. and Canada Trustco Mortgage Company, both of which are financial services companies and subsidiaries of Imasco Limited. Mr. Crawford is a director of Camco Inc., Canadian National Railway Company, Inco Limited, Maple Leaf Foods Ltd., Petro-Canada and Nova Scotia Power Inc. He is Governor Emeritus of McGill University; Chancellor of Mount Allison University; a member of the Advisory Board of Oxford Frozen Foods Limited; and Honorary Counsel to the Canadian law firm of Osler, Hoskin & Harcourt.

[GEIER PHOTO] PHILIP H. GEIER JR. Age 64. Director since 1994. Chairman of the Board and Chief Executive Officer of Interpublic Group of Companies, Inc. (advertising agencies and other marketing communication services) since 1980. He is a director of Fiduciary Trust Company International, AEA Investors, Inc. and the International Tennis Hall of Fame. He is also a member of the Board of Overseers and Managers of Memorial Sloan Kettering Cancer Center, the Board of Overseers of Columbia Business School, and the Board of Trustees of the Whitney Museum of American Art.

[HILPERT PHOTO] DALE W. HILPERT. Age 56. Director since 1995. The Company's President and Chief Operating Officer since May 15, 1995. Mr. Hilpert was Chairman and Chief Executive Officer of the Payless Shoe Source division of The May Department Stores Company (retail merchants) from 1985 to April 1995.

DIRECTORS CONTINUING IN OFFICE
TERMS EXPIRING IN 2001

[FARAH PHOTO] ROGER N. FARAH. Age 46. Director since 1994. The Company's Chairman of the Board and Chief Executive Officer since December 1994. Mr. Farah was President and Chief Operating Officer of R. H. Macy & Co., Inc. (retail merchants) from July 1994 to October 1994. He was Chairman of the Board and Chief Executive Officer of Federated Merchandising Services, a division of Federated Department Stores, Inc. (retail merchants), from July 1991 to July 1994. He is a director of Liz Claiborne, Inc. and a member of the Undergraduate Executive Board of the Wharton School of the University of Pennsylvania.

[PRESTON PHOTO] JAMES E. PRESTON. Age 66. Director since 1983. Chairman of the Board of Avon Products, Inc. (manufacture and sale of beauty and related products) from 1989 to May 6, 1999, and Chief Executive Officer of Avon Products, Inc. from 1989 to June 1998. He is a director of ARAMARK Corporation, Reader's Digest Association, the Cosmetic, Toiletry and Fragrance Association, and Project Hope; and a member of the Advisory Board of the Salvation Army of Greater New York.

[SINCLAIR PHOTO] CHRISTOPHER A. SINCLAIR. Age 48. Director since 1995. Chairman of the Board of Caribiner International (business communications) since May 5, 1999 and Chief Executive Officer from December 22, 1998 to present. He was President of Caribiner International from December 22, 1998 to May 5, 1999. Mr. Sinclair was President and Chief Executive Officer of Quality Food Centers, Inc. (supermarket chain) from September 12, 1996 to March 1998. He was Chairman and Chief Executive Officer of Pepsi-Cola Company, a division of PepsiCo, Inc. ("PepsiCo") (beverages, snack foods and restaurants) from April 1996 to July 1996; and President and Chief Executive Officer of PepsiCo Foods and Beverages International, a division of PepsiCo, from 1993 to April 1996. He is a director of Caribiner International, Mattel, Inc. and the Amos Tuck School of Business Administration at Dartmouth College.

DIRECTORS CONTINUING IN OFFICE
TERMS EXPIRING IN 2000

[GILBERT PHOTO] JAROBIN GILBERT JR. Age 52. Director since 1981. President and Chief Executive Officer of DBSS Group, Inc. (management, planning and trade consulting services) since 1992. He is a director of Whitman Corp. and Midas, Inc. He is a trustee of Atlantic Mutual Insurance Company and a director of its subsidiaries, Atlantic Specialty Insurance Company and Centennial Insurance Company. Mr. Gilbert is also a director of Valley Agency for Youth, and a permanent member of the Council on Foreign Relations.

[MacKIMM PHOTO] MARGARET P. MACKIMM. Age 65. Director since 1977. Senior Vice President -- Communications of Kraft Foods, Inc. (multinational marketer and processor of food products) and its predecessor, Kraft, Inc., from 1986 to 1989. She is a director of Chicago Title Corporation, The World Press Institute, and the Human Relations Foundation of Chicago.

[LOREN PHOTO] ALLAN Z. LOREN. Age 61. Director since 1998. Executive Vice President and Chief Information Officer of American Express Company (travel and financial services) since May 1994. He was President and Chief Executive Officer of Galileo International (global computer reservation system company) from 1991 to 1994. He is a director of Reynolds & Reynolds Company and Hershey Foods Corp.

[MACKOWSKI PHOTO] JOHN J. MACKOWSKI. Age 73. Director since 1986. Chairman of the Board and Chief Executive Officer of Atlantic Mutual Insurance Company and its subsidiary, Centennial Insurance Company (property, liability and marine insurance) from 1985 to 1988; and Chairman of the Board and Chief Executive Officer of Atlantic Specialty Insurance Company (formerly Atlantic Reinsurance Company) (issuer of reinsurance contracts), a subsidiary of Atlantic Mutual Insurance Company, from 1986 to 1988. He is a director of Northern Trust Company of Connecticut, and of Transatlantic Holdings, Inc.

EXECUTIVE COMPENSATION

The following Summary Compensation Table provides certain compensation information for the Company's Chief Executive Officer during 1998 and the four other most highly compensated executive officers of the Company at January 30, 1999, for services rendered in all capacities during 1998 and the fiscal years ended January 31, 1998 ("1997") and January 25, 1997 ("1996").

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION			LONG-TERM COMPENSATION		
					AWARDS		
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPENSATION ($)	SECURITIES UNDERLYING OPTION/SARS (#)	PAYOUTS ($)	ALL OTHER COMPENSATION ($)
Roger N. Farah(a)...........	1998	1,500,000	0	3,884(b)	0	1,671,670(m)	6,032(c)
Chairman of the Board and	1997	1,500,000	702,150	3,886(b)	0	0	5,610(c)
Chief Executive Officer	1996	1,500,000	780,900	3,372(b)	0	0	5,688(c)
Dale W. Hilpert.............	1998	825,000	0	0	100,000	835,835(m)	10,860(c)
President and Chief	1997	806,250	377,406	0	100,000	0	9,718(c)
Operating Officer	1996	750,000	390,450	0	100,000	0	8,506(c)
M. Jeffrey Branman(d).......	1998	435,000	200,000(e)	0	150,000	431,158(m)	2,595(c)
Senior Vice President-	1997	415,000	394,262(e)	0	75,000	0	3,113(c)
Corporate Development	1996	365,079	390,060(e)	0	75,000	0	1,513(f)
Reid Johnson(g).............	1998	434,000	0	9,191(h)	43,000	179,570(n)	14,561(i)
Former Senior Vice President and Chief Financial Officer	1997	169,034	200,000(j)	21,445(h)	50,000	0	126,664(k)
John E. DeWolf III(d).......	1998	406,250	0	0	50,000	374,805(m)	2,959(f)
Senior Vice President-	1997	361,250	169,101	0	30,000	0	1,343(f)
Real Estate	1996	319,444	166,303	28,242(h)	30,000	0	254,620(l)

(a) On January 9, 1995, the Company granted to Mr. Farah 200,000 shares of Common Stock (the "Restricted Stock"), which are subject to a Restricted Stock Agreement. The shares vest over a five-year period beginning January 31, 1996 through January 31, 2000, in increments of 40,000 shares on each vesting date. Mr. Farah has the right to vote the Restricted Stock and to receive and retain all regular cash dividends payable after January 1995 to holders of Common Stock of record. At January 30, 1999, Mr. Farah held 80,000 shares of Restricted Stock (120,000 shares having previously vested), having a value of $410,000, based upon a $5.125 closing price of the Company's Common Stock as reported on the New York Stock Exchange on January 29, 1999, the last business day prior to the end of the fiscal year.

(b) Tax gross-up payment related to commuting use of company car.

(c) Includes the dollar value of the premium paid by the Company for a term life insurance policy for the benefit of the named executive and the dollar value of the Company's matching contribution under the 401(k) Plan made to the named executive's account in shares of Common Stock. The dollar values of amounts reported for 1998 are stated below. The shares of Common Stock for the matching contribution were valued at $6.50 per share, which represents the closing price of a share of Common Stock on December 31, 1998, the last day of the plan year.

NAME	LIFE INSURANCE PREMIUM	EMPLOYER MATCHING CONTRIBUTION UNDER 401(K) PLAN
R. N. Farah....................	$5,012	$1,020
D. W. Hilpert..................	$9,840	$1,020
M. J. Branman..................	$1,575	$1,020

(d) Elected to this position in March 1996.

(e) Includes $200,000 paid as a discretionary bonus under the terms of Mr. Branman's employment.

(f) Dollar value of premium paid by the Company for term life insurance policy for the benefit of the named executive.

(g) Held this position from September 8, 1997 until his resignation, effective February 26, 1999.

(h) Tax gross-up payment related to relocation.

(i) Amount includes reimbursement for relocation expenses of $11,149 and payment of premium of $3,412 for term life insurance policy for the benefit of named executive.

(j) Guaranteed bonus paid pursuant to terms of employment.

(k) Amount includes a sign-on bonus of $100,000 and reimbursement for relocation expenses of $26,664.

(l) Amount includes a sign-on bonus of $200,000 and reimbursement for relocation expenses of $54,620.

(m) This payout was made for the 1996-1998 Performance Period. Fifty percent of the total payout listed was made in cash and fifty percent was made in shares of the Company's Common Stock. The amounts shown in the table reflect the total of the cash payment and the value of the shares received on the payment date. In accordance with the provisions of the Long-Term Incentive Compensation Plan, the average of the daily closing prices of a share of the Company's Common Stock in the 60-day period immediately preceding the payment date of April 16, 1999 ($5.91228 per share) was used to determine the stock portion of the payout. If the payouts had been made fully in cash, the cash payment would have been: $1,365,600 for Mr. Farah; $682,800 for Mr. Hilpert; $352,216 for Mr. Branman; and $306,181 for Mr. DeWolf.

(n) Represents prorated cash payout for the 1996-1998 Performance Period.

LONG-TERM INCENTIVE PLAN -- AWARDS IN LAST FISCAL YEAR(a)

NAME	NUMBER OF SHARES, UNITS OR OTHER RIGHTS	PERFORMANCE PERIOD UNTIL PAYOUT	ESTIMATED FUTURE PAYOUTS UNDER NON-STOCK PRICE-BASED PLAN		
			THRESHOLD	TARGET	MAXIMUM
R. N. Farah..................	1,500,000	1998-2000	$337,500	$1,350,000	$2,490,000
D. W. Hilpert................	825,000	1998-2000	185,625	742,500	1,369,500
M. J. Branman................	435,000	1998-2000	97,875	391,500	722,100
J. E. DeWolf III.............	406,250	1998-2000	91,406	365,625	674,375
R. Johnson(b)................	434,000	1998-2000	N/A	N/A	N/A

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(a) The named executive officers, excluding Mr. Johnson, and eight other executive officers and key employees of the Company participate in the Long-Term Incentive Compensation Plan ("Long-Term Plan"). Mr. Johnson participated in this plan prior to his resignation. Under the Long-Term Plan, individual target awards are expressed as a percentage of the participant's annual base salary. The amounts shown in the table above under the column headed "Number of Shares, Units or Other Rights" represent the annual rate of base salary for 1998 for each of the named executive officers. The amounts shown in the columns headed "Threshold," "Target" and "Maximum" represent 22.5 percent, 90 percent and 166 percent, respectively, of the named executive officer's annual base salary in the first year of the Performance Period and represent the amount that would be paid to him at the end of the Performance Period if the established performance goals are attained.

Any payout under the Long-Term Plan is calculated based upon the Company's performance in the Performance Period and measured against the performance criteria set for the participant at the beginning of the Performance Period by the Compensation Committee. These performance goals are based on one or more of the following criteria: (i) the attainment of certain target levels of, or percentage increase in, consolidated net income; or (ii) the attainment of certain levels of, or a specified increase in, return on invested capital. In addition, to the extent permitted by Section 162(m) of the Internal

Revenue Code (if applicable), the Compensation Committee has the authority to incorporate provisions in the performance goals allowing for adjustments in recognition of unusual or non-recurring events affecting the Company or the Company's financial statements, or in response to changes in applicable laws, regulations or accounting principles. Unless otherwise determined by the Compensation Committee, payment in connection with such awards shall be made only if and to the extent performance goals for the Performance Period are attained and generally only if the participant remains employed by the Company throughout the Performance Period. The Compensation Committee may award, after completion of the Performance Period, a pro-rata payment to any participant whose employment terminated during the Performance Period.

Upon a Change in Control, as defined in the Long-Term Plan, the Compensation Committee may, to the extent permitted under Section 162(m) of the Internal Revenue Code (if applicable), pay out an amount equal to or less than a pro-rata portion (through the date of the Change in Control) of the individual target award based on the actual performance results achieved from the beginning of the Performance Period to the date of the Change in Control and the performance results that would have been achieved had the performance goals been met for the balance of the Performance Period.

Payment to a participant under the Long-Term Plan for each Performance Period will be made, at the discretion of the Compensation Committee, either in cash or in shares of Common Stock. If payment is made in shares of Common Stock, the number of shares to be paid to the participant will be determined by dividing the achieved percentage of a participant's annual base salary by the fair market value, as defined in the Long-Term Plan, of the Common Stock on the date of payment. The amount of any payout for the performance period may not exceed the lesser of 300 percent of the participant's annual base salary or $5,000,000.

(b) Although Mr. Johnson was granted an award under the Long-Term Plan for the 1998-2000 Performance Period, he is not entitled to receive any payment under this plan as a result of his resignation.

OPTION GRANTS IN LAST FISCAL YEAR

	INDIVIDUAL GRANTS(A)				
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED(#)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE ($/SHARE)	EXPIRATION DATE	GRANT DATE PRESENT VALUE($)(B)
R. N. Farah	0	N/A	N/A	N/A	N/A
D. W. Hilpert	100,000	3.9	25.2813	04/08/08	896,065
M. J. Branman	50,000	2.0	25.2813	04/08/08	448,033
	100,000	3.9	13.50	08/12/08	443,685
R. Johnson(c)	43,000	1.7	25.2813	02/26/99	N/A
J. E. DeWolf III	50,000	2.0	25.2813	04/08/08	448,033

(a) During 1998, stock options were granted to the named executive officers, except Mr. Farah, on April 8, 1998 under the 1998 Stock Option and Award Plan (the "1998 Award Plan") and the 1995 Stock Option and Award Plan (the "1995 Award Plan"). In addition, a stock option was granted to Mr. Branman on August 12, 1998.

The per-share exercise price of each stock option may not be less than the fair market value of a share of Common Stock on the date of grant. In general, no portion of any stock option may be exercised until the first anniversary of its date of grant. The options granted on April 8, 1998 will become exercisable in three equal annual installments, beginning April 8, 1999. The option granted on August 12, 1998 will become exercisable in two equal installments on April 12, 2000 and August 12, 2000. If an option holder retires, becomes disabled, or dies while employed by the Company or one of its subsidiaries, all unexercised options that are then immediately exercisable, plus those options that would have become exercisable on the next succeeding anniversary of the date of grant of each option, will remain (or become) immediately

exercisable as of that date. Moreover, upon the occurrence of a "Change in Control," as defined in the 1995 Award Plan and the 1998 Award Plan, all outstanding options will become immediately exercisable as of that date.

Options may remain exercisable for up to three years following an option holder's retirement or termination due to disability, and for up to one year for any other termination of employment for reasons other than cause. However, under no circumstances may an option remain outstanding for more than ten years from its date of grant.

(b) Values were calculated as of the date of grant using a Black-Scholes option pricing model. The values shown in the table are theoretical and do not necessarily reflect the actual values that the named executive officers may ultimately realize. Any actual value to the officer will depend on the extent to which the market value of the Company's Common Stock at a future date exceeds the option exercise price. In addition to the fair market value of the Common Stock on the date of grant and the exercise price, which are identical, the following assumptions were used to calculate the values shown in the table: a weighted-average risk-free interest rate of 4.57 percent; a stock price volatility factor of 35 percent; a two year weighted-average expected award life and a zero dividend yield. The assumptions and calculations used for the model are consistent with the assumptions for reporting stock option valuations in the Company's 1998 Annual Report.

(c) Mr. Johnson resigned from the Company on February 26, 1999. In accordance with the terms of the 1995 Award Plan and the 1998 Award Plan, the entire option granted to him on April 8, 1998 was cancelled as of his resignation date.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE(#)	VALUE REALIZED	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FY-END(#)		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END($)(A)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
R. N. Farah..........	0	N/A	800,000	0	0	0
D. W. Hilpert........	0	N/A	399,999	200,001	0	0
M. J. Branman........	0	N/A	75,000	225,000	0	0
J. E. DeWolf III.....	0	N/A	30,000	80,000	0	0
R. Johnson...........	0	N/A	16,666	76,334	0	0

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(a) The fair market value (the average of the high and low prices of the Company's Common Stock) on Friday, January 29, 1999, the last business day of 1998, was $4.8438. No unexercised options were in-the-money on that date.

RETIREMENT PLANS

The Company maintains the Venator Group Retirement Plan (the "Retirement Plan"), a defined benefit plan with a cash balance formula, which covers associates of the Company and substantially all of its United States subsidiaries. All qualified associates at least 21 years of age are covered by the Retirement Plan, and plan participants become fully vested in their benefits under this plan upon completion of five years of service or upon attainment of age 65 while actively employed.

Under the cash balance formula, each participant has an account, for record keeping purposes only, to which credits are allocated annually based upon a percentage of the participant's W-2 Compensation, as defined in the Retirement Plan. This percentage is determined by the participant's years of service with the

Company as of the beginning of each calendar year. The following table shows the percentage used to determine credits at the years of service indicated.

YEARS OF SERVICE	PERCENT OF ALL W-2 COMPENSATION	+	PERCENT OF W-2 COMPENSATION OVER $22,000
Less than 6	1.10		0.55
6-10	1.50		0.75
11-15	2.00		1.00
16-20	2.70		1.35
21-25	3.70		1.85
26-30	4.90		2.45
31-35	6.60		3.30
More than 35	8.90		4.45

In addition, all balances in the participants' accounts earn interest at the fixed rate of six percent, which is credited annually. At retirement or other termination of employment, an amount equal to the vested balance then credited to the account under the Retirement Plan is payable to the participant in the form of a qualified joint and survivor annuity (if the participant is married) or a life annuity (if the participant is not married). The participant may elect to waive the annuity form of benefit described above and receive benefits under the Retirement Plan in an optional annuity form or an immediate or deferred lump sum. Participants may elect one of the optional forms of benefit with respect to the accrued benefit as of December 31, 1995 if the individual participated in the Retirement Plan as of that date.

The Internal Revenue Code limits annual retirement benefits that may be paid to, and compensation that may be taken into account in the determination of benefits for, any person under a qualified retirement plan such as the Retirement Plan. Accordingly, for any person covered by the Retirement Plan whose annual retirement benefit, calculated in accordance with the terms of this plan, exceeds the limitations of the Internal Revenue Code, the Company has adopted the Venator Group Excess Cash Balance Plan (the "Excess Plan"). The Excess Plan is an unfunded, nonqualified benefit plan, under which the individual is paid the difference between the Internal Revenue Code limitations and the retirement benefit to which he or she would otherwise be entitled under the Retirement Plan.

In addition, the Supplemental Executive Retirement Plan (the "SERP"), which is an unfunded, nonqualified benefit plan, provides for payment by the Company of supplemental retirement, death and disability benefits to certain executive officers and certain other key employees of the Company and its subsidiaries. The named executive officers, excluding R. Johnson, and five of the other executive officers of the Company are participants in the SERP. Under the SERP, the Compensation Committee of the Board of Directors sets an annual targeted incentive award for each participant consisting of a percentage of salary and bonus based on the Company's performance against target. Achievement of the target causes an eight percent credit to a participant's account. The applicable percentage decreases proportionately to the percentage of the Company's performance below target, but not below 4 percent, and increases proportionately to the percentage of the Company's performance above target, but not above 12 percent. Participants' accounts accrue simple interest at the rate of 6 percent annually.

The table below provides the estimated annual benefit for each of the named executive officers stated as a single life annuity under the Retirement Plan, the Excess Plan, and the SERP. Except for R. Johnson, the projections contained in the table assume each person's continued employment with the Company to his normal retirement date and that compensation earned during each year after 1998 to the individual's normal retirement date remains the same as compensation earned by him during 1998. The projections in the table below are based upon the greater of the accrued benefit as of December 31, 1995 or a single life annuity determined by converting the account balance projected to normal retirement date using a 6.00 percent interest rate at normal retirement age based on the average rate as published in Federal statistical release H.15 (519) for 30-year U.S. Treasury Bills for December 1998. The applicable interest rate is the rate specified in sec.417(e)(3)(A)(ii)(II) of the Internal Revenue Code.

NAMED EXECUTIVE OFFICER	TOTAL ANNUAL BENEFIT FOR YEARS 1-3 FOLLOWING RETIREMENT(A)	TOTAL ANNUAL BENEFIT FOR YEARS 4 AND SUBSEQUENT FOLLOWING RETIREMENT(A)
R. N. Farah	$2,025,362	$222,816
D.W. Hilpert	$ 422,520	$ 34,336
M.J. Branman	$ 756,118	$ 92,484
J.E. DeWolf III	$ 613,743	$ 60,692
R. Johnson(b)	N/A	N/A

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(a) The amounts stated for years 1-3 following retirement include the SERP benefits, payable as a lump sum spread over a three-year period. The SERP projections include a 4 percent credit to the participants' accounts for 1998 and assume an annual 8 percent credit going forward. Beginning with the fourth year following retirement, the individuals' annual benefits will not include any SERP payments and, therefore, their annual benefits for those years will be reduced accordingly.

(b) As a result of Mr. Johnson's resignation on February 26, 1999, he is ineligible to receive a benefit under the Retirement Plan or the SERP.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

The Company presently has employment agreements with R. Farah and D. Hilpert. In addition, the Company has severance agreements with M.J. Branman and J.E. DeWolf III.

R.N. FARAH

The Company has entered into an employment agreement with Mr. Farah as Chairman of the Board and Chief Executive Officer for a term ending on January 31, 2003. This agreement supersedes the agreement entered into with Mr. Farah in 1994 (the "1994 Agreement"). The new compensation arrangements reflect a decision by the Company and Mr. Farah to reconfigure his compensation package to reduce significantly his base salary and to increase the amount of his compensation that is tied to the performance of the Company and the price of the Company's Common Stock. During the contract term, Mr. Farah will receive a base salary of not less than $1 million per year, which is a reduction of $500,000 per year from the base salary he was paid under the 1994 Agreement. In addition, Mr. Farah participates in the Annual Incentive Compensation Plan (the "Annual Plan") and the Long-Term Plan. His payout at budget under the Annual Plan is 100 percent of base salary.

Under his new employment agreement, Mr. Farah will receive an annual stock option grant to purchase that number of shares of Common Stock having a market value of $5,000,000 on the date of grant. He will also receive a one-time grant of 275,000 shares of restricted stock under the 1998 Award Plan. The shares of restricted stock will be subject to a restriction related to Mr. Farah's continued employment with the Company, and will vest in three equal annual installments beginning January 31, 2000.

In the event Mr. Farah's employment is terminated by him for good reason or by the Company without cause, then Mr. Farah would be entitled to payments of any unpaid base salary for the period prior to termination, any declared but unpaid bonuses, and amounts due under any employee benefit or incentive plan. Also, to the extent any shares of restricted stock which were granted to Mr. Farah are unvested, these shares will immediately vest. Thereafter, for a period ending on the earliest of (a) the later of January 31, 2003 or two years from the date of termination, (b) his death, or (c) the violation of any post-employment contract requirements, Mr. Farah would be entitled to receive payments equal to his annual base salary immediately prior to termination. If the sum of the foregoing payments is less than the guaranteed severance amount provided for under the agreement, the Company will pay the difference to Mr. Farah. The guaranteed severance amounts are as follows: (i) if Mr. Farah's employment is terminated earlier than January 31, 2000, his guaranteed severance amount is $4,500,000; (ii) if his termination date is from February 1, 2000 to

January 31, 2001, his guaranteed severance amount is $4,000,000; and (iii) if his termination date is after January 31, 2001, his guaranteed severance amount is $3,000,000.

In the event Mr. Farah's employment is terminated, whether by the Company or by Mr. Farah, following a Change in Control, as defined in the agreement, Mr. Farah would receive the same payments he would have received as if he had terminated his employment for good reason. Also, all of Mr. Farah's unvested shares of restricted stock and all of his unvested stock options would immediately vest. If the sum of the payments to be made to Mr. Farah in the event of his termination following a Change in Control is less than three times his then current base salary plus annual bonus at target in the year of termination, then the Company will pay the difference to Mr. Farah. In the event he becomes entitled to the payments in this paragraph and the payments are determined to constitute payments under Section 280G(b)(2) of the Internal Revenue Code and subject to an excise tax under Section 4999 of the Internal Revenue Code, the Company will provide him with a gross-up payment for the excise and related income taxes incurred in connection with the gross-up payment.

Finally, if the Company does not offer to extend his employment agreement for at least one year beyond January 31, 2003 under the same terms and conditions then existing, then the Company will pay Mr. Farah the sum of $1,500,000.

D.W. HILPERT

The Company has entered into a new employment agreement with Mr. Hilpert as President and Chief Operating Officer for a term ending on January 31, 2002. This agreement supersedes the agreement entered into with Mr. Hilpert in 1997. During the contract term, Mr. Hilpert will receive a base salary of not less than $825,000 per year. In addition, Mr. Hilpert participates in the Annual Plan and the Long-Term Plan. His payout at budget under the Annual Plan is 75 percent of base salary.

In the event Mr. Hilpert's employment is terminated by him for good reason or by the Company without cause (or if the Company does not extend the term of the employment agreement for at least one year beyond January 31, 2002 under substantially similar terms and conditions), Mr. Hilpert would be entitled to payments of any unpaid base salary for the period prior to termination, any declared but unpaid bonuses, and amounts due under any employee benefit or incentive plan. Thereafter, for a period ending on the earliest of (a) the later of January 31, 2002 or one year from his termination date (b) his death, or (c) the violation of any post-employment contract requirements, Mr. Hilpert would be entitled to receive payments equal to his annual base salary immediately prior to termination.

Mr. Hilpert would receive the payments described in the paragraph above (a) in the event of the termination of his employment within one year following a Change in Control, as defined in the agreement, or (b) if within one year following a Change in Control the Company's Chief Executive Officer immediately prior to a Change in Control ceases to hold this position and Mr. Hilpert terminates his employment within 90 days of this change in the Company's Chief Executive Officer. If the sum of the payments to be made to Mr. Hilpert in the event of his termination following a Change in Control if the payments continued until the later of January 31, 2002 or one year following termination is less than three times his then current base salary plus annual bonus at target in the year of termination, then the Company will pay the difference to Mr. Hilpert. In the event he becomes entitled to the payments in this paragraph and the payments are determined to constitute payments under Section 280G(b)(2) of the Internal Revenue Code and subject to an excise tax under Section 4999 of the Internal Revenue Code, the Company will provide him with a gross-up payment for the excise and related income taxes incurred in connection with the gross-up payment.

Finally, if Mr. Hilpert's employment is terminated by him for good reason or by the Company without cause, or following a Change in Control, or if his employment with the Company is not extended beyond January 31, 2002, and the amount of retirement benefits Mr. Hilpert is then entitled to under the Retirement Plan, the Excess Plan, and the SERP is less than $1,300,000, the Company will increase the amount in his SERP account so that this total is reached. This provision compensates Mr. Hilpert for the benefit he would have received under his previous employer's supplementary plan.

M.J. BRANMAN AND J.E. DEWOLF III

The Company has entered into Senior Executive Severance Agreements with M.J. Branman, J.E. DeWolf III and certain other executive officers, which provide for severance payments if their employment is terminated by the Company without cause or by them for good reason. In the event such officer's employment is terminated within 24 months following a Change in Control, he will receive 2 weeks' salary plus prorated annual bonus for each year of service, with a minimum of 104 weeks. If such termination does not occur within 24 months following a Change in Control, he will be entitled to receive 2 weeks' salary plus prorated annual bonus for each year of service, with a minimum of 26 weeks. The severance benefit payable to the executive under this agreement may not be less than 12 months' salary. With respect to Mr. Branman, if the total severance benefit he would be entitled to is less than the sum of the following amounts in the year of termination: (i) his annual base salary, (ii) his expected annual bonus at target and (iii) $200,000, then he would be entitled to receive additional payments from the Company in the amount of the difference.

The Company also had a Senior Executive Severance Agreement with R. Johnson providing for severance payments upon his termination by the Company or by him for good reason. As a result of Mr. Johnson's resignation, however, this agreement is of no further force and effect, and no payments were made to Mr. Johnson under the agreement.

The Company has established a trust (the "Trust") in connection with certain of its benefit plans, arrangements, and agreements, including certain of those described above, and other benefit plans, agreements or arrangements that may, at the request of the Company, hereafter be covered (collectively, the "Benefit Obligations"). Under the Trust agreement, in the event of a Change in Control of the Company (as defined in the Trust Agreement), the trustee would pay to the persons entitled to the Benefit Obligations, out of funds held in the Trust, the amounts to which such persons may become entitled under the Benefit Obligations. Upon the occurrence of a Potential Change in Control of the Company (as defined in the Trust agreement), the Company is required to fund the Trust with an amount sufficient to pay the total amount of the Benefit Obligations. Following the occurrence, and during the pendency, of a Potential Change in Control, the trustee is required to make payments of Benefit Obligations, to the extent such payments are not made by the Company.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During 1998, the following individuals (none of whom had been an officer or employee of the Company or any of its subsidiaries) served on the Compensation Committee: Philip H. Geier Jr., Margaret P. MacKimm and James E. Preston. There were no interlocks with other companies within the meaning of the SEC's proxy rules.

COMPENSATION COMMITTEE'S REPORT TO SHAREHOLDERS ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Directors (the "Committee"), composed of the directors listed below, has responsibility for all compensation matters involving the Company's executive officers and for significant elements of the compensation of the chief executive officers of its operating units. None of the members of the Committee are officers or employees of the Company or any of its subsidiaries. This is our report on the Company's executive compensation in 1998.

Compensation Policy. It is the policy of the Committee to design and maintain a compensation policy that will enable the Company to attract, motivate, and retain executive officers and the chief executive officers of its operating units by providing a fully competitive total compensation opportunity. This policy provides for (i) competitive base salaries, which reflect the responsibilities of the position held and performance in the position; (ii) annual incentive opportunities payable in cash, which are based on the Company's achievement of previously specified performance goals; (iii) long-term incentive opportunities, payable in stock or cash, which are based on the Company's achievement of previously specified performance goals; and (iv) long-term

stock-based incentive opportunities, which are designed to strengthen the mutuality of interest between participating associates and the shareholders. The Committee strives to balance short- and long-term incentive objectives and to employ prudent judgment in establishing performance criteria, evaluating performance, and determining actual incentive payment levels. For senior level management associates the compensation policy provides that a greater percentage of total compensation will be at risk, dependent upon the Company's performance in relation to targets established under incentive compensation plans, or, in the case of stock options, increases in the price of the Company's Common Stock.

Compensation Program. The Committee has established a total compensation program for senior executive officers (the Chairman of the Board and Chief Executive Officer, President and Chief Operating Officer, and Senior Vice Presidents) and the chief executive officers of its operating businesses consisting of five components: base salary, participation in the Annual Plan, participation in the Long-Term Plan, grants under the 1995 and 1998 Award Plans, and the opportunity to participate in the employee stock purchase program. We note that the Company's shareholders, at annual meetings in prior years, have approved the Annual Plan, the Long-Term Plan, the 1995 Award Plan, the 1998 Award Plan, and the 1994 Employees Stock Purchase Plan (the "Stock Purchase Plan"). The Company has a substantially similar compensation program for its other officers and senior management employees.

A performance evaluation of each management associate is conducted at the beginning of each year, based upon goals, responsibilities, and other performance criteria established at the beginning of the prior year. Salary recommendations are then made based upon the results of this performance review. With regard to executive officers and the chief executive officers of the Company's operating units, management makes these salary recommendations to the Committee. The Committee then reviews the base salaries of these individuals and determines the changes, if any, that should be made to those base salaries based upon the officer's performance and to maintain a competitive position with other national retail companies.

At the beginning of each year, the Committee also establishes the performance goals under the Annual Plan for that year and under the Long-Term Plan for the performance period then beginning. The performance goals under the Annual Plan for 1998 were based on a combination of pre-tax earnings and percentage return on invested capital of the Company in relation to targets established by the Committee. In 1998, these targets for executive officers were equal to the pre-tax earnings and percentage return on invested capital set in the Company's operating budget for the year. Approximately 800 key management employees, including executive officers, are participants in the Annual Plan. The chief executive officers of the operating units participate in annual bonus plans with goals tied to operating results of their respective units. Payments under the Long-Term Plan have been based on a combination of cumulative net income and percentage return on invested capital of the Company during the performance period, in relation to targets established by the Committee.

Each year the Committee considers granting options to purchase Common Stock to key employees, including executive officers. Stock option grants are intended to provide additional incentive for superior performance by officers and key employees who have the most impact on the management and success of the Company's businesses. Stock options granted by the Committee in 1998 generally vest in three equal annual installments beginning on the first anniversary of the date of grant. Approximately 450 employees participate. Also, qualified executive officers and other employees may purchase shares of Common Stock under the Stock Purchase Plan.

In determining the number of options to be granted to executive officers, the Committee considered a number of factors, including the position held by the individual, his or her performance, the number of options granted in previous years, the financial results of the Company for the prior year, the price of a share of Common Stock, and the fact that management was implementing a turn-around plan for the Company. In 1998, the Committee granted to the named executive officers the stock options shown in the table on page 17. In January 1999 the Committee approved grants of restricted stock to a group of 35 senior managers and key employees of the Company, not including the Chief Executive Officer. The size of the individual grants ranged from 5,000 shares to 100,000 shares, with the average grant being for 24,000 shares. Restrictions on the shares lapse for each individual if that individual continues to be employed by the Company on the fifth anniversary

of the grant date. The restrictions will lapse on the third anniversary of the grant date if certain performance targets, set by the Committee, are met. In the view of the Committee, the granting of this restricted stock was to the benefit of the Company and its shareholders by providing a means of retaining key managers, many of whom had been recruited to the Company in the past several years, and by motivating key managers to achieve performance goals.

The performance of the Company's continuing operations in 1998 did not meet the performance targets established by the Committee under the Annual Plan, and therefore no payments were made to the executive officers under that plan. Principally as a result of the Company's performance in 1996 and 1997, the performance of the Company's continuing operations in the 1996-1998 performance period under the Long-Term Plan was above the threshold levels established by the Committee for cumulative net income and percentage return on invested capital for the performance period, and therefore, below-target payments were made to the participants in that plan, including the named executive officers shown in the table on page 15.

Chief Executive Officer's Compensation. Mr. Farah's compensation arrangements in 1998 were unchanged from those negotiated by the Company and Mr. Farah at the time he joined the Company in 1994, which were embodied in an employment agreement entered into at that time (the "1994 Agreement"). In 1998, Mr. Farah was paid a base salary of $1,500,000, and was eligible to earn a bonus at target under the Annual Plan of 50 percent of his base salary. Options to purchase 800,000 shares of Common Stock and 200,000 shares of restricted stock were issued to him in 1994, and no additional stock options were granted to him in 1998. The shares of restricted stock are subject to a restriction related to Mr. Farah's continued employment, and vest at 20 percent per year at the end of the first through fifth years of employment. As of January 31, 1999, the restrictions have lapsed on 160,000 of these shares and the restrictions on the remaining shares lapse in January 2000. Also, in 1998 Mr. Farah purchased 1,046 shares of Common Stock at $16.58 per share under the Stock Purchase Plan, which was the maximum number of shares he was permitted to purchase under the terms of that plan.

Based upon the Company's performance in 1998 compared to targets established under the Annual Plan, as discussed above, no payment was made to Mr. Farah under the Annual Plan for 1998. The target payout under the Long-Term Plan for the 1996-98 performance period was 163 percent of base salary. Because the performance of the Company in 1998 was significantly below plan, following two years of essentially on-plan performance in 1996 and 1997, the Company's performance did not meet the targets established by the Committee for the 1996-98 performance period. Consequently, the Long-Term Plan payout to Mr. Farah for the performance period was 91.04 percent of his base salary, which would translate to a cash amount of $1,365,600. This compares to the 163 percent of base salary that he would have earned had the performance targets been achieved. Fifty percent of this bonus was paid to Mr. Farah in cash and 50 percent in shares of Common Stock.

As noted, Mr. Farah's compensation arrangements in 1998 were unchanged from those negotiated by the Company and Mr. Farah at the time he joined the Company in 1994. In approving these compensation arrangements at that time, the Committee considered that the elements of Mr. Farah's compensation package were the result of negotiation between the Company and Mr. Farah, following a search that identified Mr. Farah as the best candidate for the Chief Executive Officer's position.

It has been the Company's practice, with regard to its senior executives, to negotiate new employment agreements approximately one year prior to the end of the then-current agreement, so as to be assured of securing, on an ongoing basis, the services of its key executives. Consequently, the Company and Mr. Farah have entered into a new employment agreement, the terms of which are summarized on page 20, for a term ending January 31, 2003 (the "1999 Agreement"). In the 1999 Agreement, the Company and Mr. Farah have agreed to reconfigure his compensation package to reduce significantly his base salary and to increase the amount of his compensation that is "at risk" based upon the performance of the Company (through increased "at target" payouts under the Annual Plan and the Long-Term Plan) and the price of the Company's shares (through a restricted stock grant and ongoing stock option grants). It was the view of the Committee that it was in the best interests of the Company and its shareholders to enter into a new employment agreement with Mr. Farah in order to secure his services for a reasonable future period and, after consulting with independent

compensation consultants, to reconfigure the components of his compensation to provide greater incentives tied to the performance of the Company and its share price. In approving the compensation arrangements for Mr. Farah contained in the 1999 Agreement, the Committee considered the compensation arrangements with Mr. Farah reflected in the 1994 Agreement, the importance to the Company of retaining Mr. Farah's services for a reasonable period in the future, compensation arrangements of chief executive officers of other companies in the retail and athletic footwear and apparel industries, and the benefits to the Company and its shareholders that it expected to result from providing Mr. Farah with a meaningful incentive compensation opportunity tied to the performance of the Company and the price of its Common Stock.

One Million Dollar Pay Deductibility Cap. Under Section 162(m) of the Internal Revenue Code, public companies are precluded from receiving a federal tax deduction on compensation paid to certain executive officers in excess of $1 million per year unless certain requirements are met. It is generally the Committee's view that the compensation plans and programs of the Company should be designed and administered in a manner that ensures the tax deductibility by the Company of compensation paid to its executives. As a consequence, the Annual Plan, the Long-Term Plan, and the 1995 and 1998 Award Plans are structured so that cash compensation paid and stock options granted under those plans qualify for an exemption from the $1 million pay deductibility limit. The Committee recognizes, however, that situations may arise when it is in the best interests of the Company and its shareholders to pay compensation to an executive that cannot be deducted for tax purposes. Most of the compensation related to the restricted stock grants made to Mr. Farah, and potentially some portion of the restricted stock grants made to certain other officers, is not expected to be deductible. It was the view of the Committee that the benefits of securing the services of Mr. Farah and these officers outweighs the Company's inability to obtain a tax deduction for those elements of compensation.

James E. Preston, Chairman
Philip H. Geier Jr.
Margaret P. MacKimm

PERFORMANCE GRAPHS

The following performance graph compares the cumulative total shareholder return on the Company's Common Stock against the cumulative total return of the S&P 500 Index and the S&P Retail Stores Composite Index from January 31, 1994 through January 30, 1999. The graph assumes an investment of $100 in the Company's Common Stock and in each index on January 31, 1994, and that all dividends were reinvested.
[PERFORMANCE GRAPH]

	VENATOR GROUP	S&P 500	S&P RETAIL
Jan 94	100.00	100.00	100.00
Jan 95	60.87	97.68	91.13
Jan 96	43.48	132.06	96.72
Jan 97	78.74	163.24	114.05
Jan 98	84.06	203.54	167.35
Jan 99	19.81	265.70	272.34

The next graph compares the cumulative total shareholder return on the Company's Common Stock against the Russell 2000 Index and a selected peer group from September 27, 1996 (the date on which all peer group members were publicly held) through January 30, 1999. The peer group consists of The Finish Line, Inc., Footstar, Inc., Just For Feet, Inc., and The Sports Authority, Inc. The Company believes that this selected group reflects the Company's peers as retailers in the athletic footwear and apparel industry.

	VENATOR GROUP	RUSSELL 2000	PEER
Sept 96	100.00	100.00	100.00
Jan 97	98.79	106.93	86.27
Jan 98	105.45	124.46	61.30
Jan 99	24.85	123.65	49.21

On January 29, 1999, which was the last trading day of the Company's most recently completed fiscal year and the final date used in the above performance graphs, the closing price of a share of the Company's Common Stock was $5.125. On June 14, 1999, the closing price of a share of the Company's Common Stock was $8.75.

PROPOSAL 2. RATIFICATION OF THE APPOINTMENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors, on the recommendation of the Audit Committee, has appointed KPMG LLP ("KPMG") as independent accountants of the Company for the fiscal year that began January 31, 1999, subject to ratification by the shareholders at the 1999 annual meeting. A resolution for ratification will be presented at the 1999 annual meeting.

KPMG has no interest, financial or otherwise, direct or indirect, in the Company other than as independent accountants.

Representatives of KPMG are expected to be present at the annual meeting and will have an opportunity to make a statement and respond to appropriate questions.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR PROPOSAL 2.

GREENWAY SOLICITATION

Greenway has nominated four individuals for election to the Board of Directors in opposition to the Company's nominees for election to the Board of Directors. Greenway has also stated that it intends to present the Greenway Proposals.

FOR THE REASONS GIVEN BELOW, THE BOARD OF DIRECTORS BELIEVES THAT THE ELECTION OF THE GREENWAY SLATE OF NOMINEES AND THE APPROVAL OF THE GREENWAY PROPOSALS WOULD BE HARMFUL TO THE COMPANY AND ITS SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE ON THE ENCLOSED WHITE PROXY CARD IN FAVOR OF THE SLATE OF DIRECTORS PROPOSED BY THE BOARD (SEE PAGES 12-13) AND AGAINST THE TWO GREENWAY PROPOSALS. THE BOARD OF DIRECTORS ALSO URGES SHAREHOLDERS NOT TO VOTE ON ANY PROXY CARD THAT MAY BE FURNISHED BY GREENWAY.

ELECTION OF DIRECTORS. The Company believes that its Board of Directors should be composed of individuals who are business leaders, representing a broad range of business and community experience, active service on public company boards, and bringing to Board membership background, experience, and skills that enable them to contribute to the Company's long-term objectives. The Company believes, based upon the experience of its nominees set forth below, that each of the existing directors being proposed for reelection in Class II is a seasoned business leader with the depth of experience to represent all of the Company's shareholders. Each of the outside directors standing for reelection is or has been the Chief Executive Officer of a multi-billion dollar publicly traded company. All of the directors being proposed for reelection were first elected to the Board within the past six years.

- Carter Bacot served for over 15 years as the Chairman of the Board and Chief Executive Officer of The Bank of New York Company, Inc., and is a director of a number of other public companies.

- Purdy Crawford is the Chairman of the Board of Imasco Limited, a $10 billion (Canadian) corporation, and served as that company's Chief Executive Officer for eight years. As a Canadian business leader and a director of a number of leading Canadian corporations, he brings an international perspective to the Board, which, given the global nature of the Company's operations, is an important contribution.

- Philip Geier is the Chairman of the Board and Chief Executive Officer of Interpublic Group of Companies, an advertising and marketing communications company, a position he has held for nineteen years. He is also an active community leader, participating on the boards of a number of community organizations.

- Dale Hilpert, the Company's President and Chief Operating Officer, has over 20 years experience as a senior executive of retail companies, including 10 years as the Chief Executive Officer of Payless Shoe Source, then a division of May Department Stores Company.

Greenway, a minority shareholder of the Company, is proposing to replace these directors with Greenway's four nominees. Two of Greenway's nominees (Alfred D. Kingsley and Gary K. Duberstein) have been principals of Greenway since 1993; one of Greenway's nominees (Andrew P. Hines) has been an officer of a company controlled by Greenway since 1997; and one of Greenway's nominees (Howard Stein) currently is a limited partner of Greenway. Additional information concerning the backgrounds and experience of Greenway's nominees is set forth in the proxy statement being furnished by Greenway in connection with its solicitation of proxies from the Company's shareholders and, in accordance with Rule 14a-5(c) under the Exchange Act, such information is incorporated herein by reference.

One of the Greenway nominees, Howard Stein, is 72 years old. As noted on page 8 above, the Company has a policy that no person may be nominated or stand for election as a director after reaching age 72. This policy, which is expressed in a resolution of the Company's Board of Directors, has been in place for over 10 years and the Company has adhered to it during that time. This policy is not contained in the Company's By-laws or its Certificate of Incorporation. Should Mr. Stein be elected as a director at the 1999 annual meeting, the Company does not intend to rely on this policy to preclude his service as a director.

Since being advised of the Greenway proposals, the Company has engaged in discussions with Greenway in an effort to resolve this matter. These discussions included an offer by the Company that two of the Greenway nominees -- Alfred D. Kingsley and Gary K. Duberstein -- be included as additional directors to serve for two-year terms on the slate recommended for election by the Board of Directors at the 1999 annual meeting. The Company's offer was conditioned on (i) Mr. Kingsley's and Mr. Duberstein's willingness to agree to comply with the policies and restrictions applicable to members of the Company's Board of Directors relating to restrictions on the periods during which stock under their control may be traded and restrictions on public statements and media contacts regarding the Company, (ii) Greenway's agreeing not to nominate candidates or solicit proxies for the election of candidates to the Company's Board of Directors for a specified period of time (which, following discussions with Greenway, was determined to be the two-year period that they would have served as directors -- i.e. any time prior to the 2001 annual meeting), and (iii) Greenway's withdrawing the two Greenway Proposals (which Greenway was prepared to do).

In the course of these discussions the Company informed Messrs. Kingsley and Duberstein of the Company's policy that directors and senior officers abide by determinations of the Company's counsel as to whether they were in possession of material non-public information and, accordingly, were required to refrain from trading in the Company's stock. While Messrs. Kingsley and Duberstein took the position that they would comply with the policies and other reasonable restrictions applicable to the Company's directors generally, including, but not limited to, restrictions on the periods in which the Company's stock under their control may be traded, they were unwilling to agree that they necessarily would abide by such determinations made by the Company's counsel. Messrs. Kingsley and Duberstein did not assert the right to trade in the Company's stock while in possession of material non-public information. The difference between the Company and Messrs. Kingsley and Duberstein was over the issue of how, and by whom, decisions regarding trading by directors in the Company's stock would be made. The Board believes that a procedure, such as that of the Company, to clear trading in its shares by directors and senior management through the Company's counsel, is consistent with good corporate practice and in the best interest of all shareholders. The position taken by Messrs. Kingsley and Duberstein as set forth above created concern on the part of the Board that there could be disruptive and time-consuming disputes as to the issue of whether Messrs. Kingsley and Duberstein, or investment funds controlled by them, could trade in the Company's stock.

The Board of Directors also was concerned about the unwillingness of Messrs. Kingsley and Duberstein to agree to refrain from making public statements regarding the Company without prior consultation with the Company -- a policy which is applicable to all of the Company's directors. The Board believed that this created a risk of premature disclosure of confidential corporate information that, in the normal course, would be provided to directors. The Board believed that such premature disclosure, if it occurred, would not be in the best interests of the Company or its shareholders.

In light of the foregoing concerns, the Board concluded that it was not in the best interests of the Company and its shareholders to invite Messrs. Kingsley and Duberstein to join the Board.

THE BOARD OF DIRECTORS BELIEVES THAT SHAREHOLDERS WOULD BE FAR BETTER SERVED BY ELECTING THE COMPANY'S NOMINEES -- CARTER BACOT, PURDY CRAWFORD, PHILIP GEIER AND DALE HILPERT -- TO THE BOARD, AND YOU ARE URGED TO VOTE FOR THESE INDIVIDUALS ON THE ENCLOSED WHITE PROXY CARD.

PROPOSAL 3. GREENWAY PROPOSAL RELATING TO CHANGE IN NAME

CHANGE OF COMPANY NAME. Greenway is seeking shareholder approval for a proposal recommending that the Company change its name back to Woolworth Corporation.

At the 1998 annual meeting, 69.6 percent of the holders of the Company's outstanding shares (and 79.4 percent of the shares voting at the meeting) approved an amendment to the Certificate of Incorporation changing the Company's name to Venator Group, Inc.

In the view of the Board of Directors, the Company's new name better reflects its current portfolio of businesses and its position as a leading global retailer of merchandise designed for active lifestyles.

The restructuring of the Company's business that occurred between 1994 and 1997 led the Company to consider the need for a change in its corporate name. In particular, it closed its Woolworth operations in the United States in 1997. In 1998, after the change in the Company's name, the Company sold its Woolworth operations in Germany and Austria, so that it no longer operates Woolworth stores anywhere in the world.

Following careful study, the Company changed its name to Venator Group, Inc. As part of the process of identifying a new name, the Company conducted a study which showed that there was a negative perception of the Woolworth name among key stakeholders, including real estate developers, employees, and institutional investors. Further, it showed that investors did not associate the Woolworth name with the type of business the Company had become. Having carried out the name change in 1998, the Company believes that to now change its name yet again would be costly and disruptive and serve no useful purpose. Also, as there are businesses operating in various parts of the world under the Woolworth name that are not related to the Company, the Company believes that its use of Woolworth as its corporate name would be confusing to stakeholders, real estate developers and suppliers.

FOR THESE REASONS, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE AGAINST THE GREENWAY PROPOSAL CONCERNING A CHANGE IN THE COMPANY'S NAME (PROPOSAL 3).

PROPOSAL 4. GREENWAY PROPOSAL RELATING TO RIGHTS PLAN

SHAREHOLDER RIGHTS PLAN. Greenway is also proposing that shareholders approve a resolution recommending that the Board of Directors terminate the 1998 Rights Plan, redeem the rights distributed thereunder, and not adopt any new rights agreement unless approved by the affirmative vote of the then-holders of a majority of the outstanding shares of the Company.

The Company has had a Rights Plan in place since 1988. In the view of the Board of Directors, the Rights Plan maximizes shareholder value and protects shareholders and the Company from abusive takeover tactics. Last year, the Board of Directors adopted a new Rights Plan along the lines of the plan originally adopted in 1988. The Rights Plan is designed to ensure that, if there is a sale of the Company, the Board of Directors will have the opportunity to effect a transaction on optimal terms. No assurance can be given, however, that the Rights Plan will create or result in the opportunity to effect a transaction on optimal terms or will not deter unsolicited third party takeover proposals.

At the 1998 annual meeting, shareholders voted in favor of a non-binding proposal requesting that the Board of Directors terminate the Rights Plan. Since the last annual meeting, the Board has given very careful consideration to its decision to continue to maintain a Rights Plan. The Board has concluded that, given the volatility of the share price of the Company's Common Stock in the past year, caused at least in part by industry and market factors outside the control of the Company's managers, it is in the best interests of all shareholders to have some form of Rights Plan in place. As a result of the Board's analysis, and taking into account the views expressed by shareholders at last year's annual meeting, the Board recently adopted certain amendments to the Rights Plan that would make the Rights Plan inapplicable to certain kinds of qualifying offers to purchase all of the Company's Common Stock. In general, the requirements for a qualifying offer are as follows:

- The person making the offer to purchase the stock (the "Offeror") has provided firm written financial commitments from responsible financial institutions for any cash portion of the offer and the opinion of a nationally recognized investment bank with respect to any securities portion of the offer.

- The offer to purchase the Company's Common Stock remains open for at least 120 days.

- The Offeror makes an irrevocable written commitment (1) to purchase those shares that were not acquired through the original offer for the same price paid for the shares that were acquired through the original offer, (2) that the Offeror will not materially amend the offer except to increase the offering price, and (3) that the Offeror will not make any offer for the Company's stock for six months after the commencement of the original offer.

- After the consummation of the transaction, the Offeror owns at least 80 percent of the outstanding Common Stock.

In addition, the Independent Directors, defined in the Rights Plan as directors who are not current or former officers of the Company, holders of five percent or more of the Company's shares, or the persons who have made the tender offer, have the discretion to shorten the time periods related to the qualifying offer provisions.

The Rights Plan is not intended to prevent or deter an offer to acquire the Company's stock at a price and on terms that would be in the best interests of all shareholders. It is designed to ensure that, if there is a sale of the Company, the Board of Directors will have the opportunity to effect a transaction on the optimal terms. If the Board determines that an unsolicited offer is fair, and on terms that reflect full value, and that are otherwise in the best interests of the shareholders, the Board can redeem the Rights issued to shareholders pursuant to the provisions of the Rights Agreement and permit the offer to proceed. As amended, the Rights Plan would not apply in any event to an offer that met the criteria for a qualifying offer.

Although the Board believes that the Rights Plan, as amended, is in the best interest of shareholders, there are a number of persons and entities, including certain academics, corporate governance experts, and institutional investors, who believe that rights plans are not aligned with shareholder interests.

The ability of a New York corporation to implement a rights plan has been legislatively sanctioned by the New York legislature, and many New York corporations, like many corporations domiciled in other states, have adopted such plans. Nevertheless, in recent years many companies, including the Company, have been subject to shareholder proposals, seeking to cause the redemption of rights plans unilaterally adopted by a board of directors. The proponents of these proposals assert that rights plans create an obstacle to making a takeover offer directly to shareholders, permit a board of directors to oppose a takeover, and therefore may permit a board of directors and management to become entrenched.

There have been a number of academic studies of rights plans in recent years. A 1992 study (Brickley/Coles/Terry) found that average stock market reaction to rights plans is positive when the board has a majority of outside directors and negative when it does not. A 1993 study (Comment and Schwert) found "no evidence of deterrence" of rights plans on takeover offers. Finally, two studies in 1997 (Georgeson and J.P. Morgan) found that companies with rights plans receive higher takeover premiums than those without rights plans. However, it is not clear that such studies establish causality. In general, the Company is not aware of any study that has conclusively demonstrated the effect of rights plans in a manner which has been generally accepted by all interested commentators.

CERTAIN PRESENT PROVISIONS OF THE CERTIFICATE OF INCORPORATION, BY-LAWS AND NEW YORK LAW. Set forth below is a description of certain present provisions of the Certificate of Incorporation and By-laws of the Company and New York law, which may be deemed to have an anti-takeover effect.

Article Seventh of the Certificate of Incorporation provides for a "classified" Board of Directors, pursuant to which the Board of Directors is divided into three classes of directors serving staggered three-year terms. Under the Company's By-laws a minimum of 9 directors and a maximum of 17 directors constitutes the entire Board. Article Seventh also provides that directors may be removed from office only for cause and expressly delegates to incumbent directors the power to fill any newly created directorship or vacancy on the Board of Directors, however occurring.

Article Eighth of the Certificate of Incorporation includes an "anti-greenmail" provision which prohibits the Company from repurchasing any shares of its capital stock at a price above the fair market value of such shares at the time of such repurchase from an Interested Shareholder (any person, with certain exceptions, who is or who has announced or publicly disclosed a plan or intention to become, a beneficial owner of 5 percent or more of the Company's voting stock) or certain related parties who have not beneficially owned all of their shares for at least two years, unless such repurchase is approved by a majority vote of shareholders other than such Interested Shareholder and related parties.

In addition, under the "self-dealing" provisions of Article Eighth, Business Transactions (as defined therein, including certain mergers, consolidations, sales or dispositions of assets or securities, business

arrangements, liquidation plans, or reclassifications of securities or other transactions which have the effect of increasing the proportionate share of the Company or a subsidiary held by an Interested Shareholder) involving the Company or any of its subsidiaries with, or proposed by or on behalf of, an Interested Shareholder or certain related parties, require (in addition to any vote which may be required by law) the approval of either a majority vote of shareholders other than such Interested Shareholder and certain related parties or the Board of Directors acting at a time when Disinterested Directors constitute a majority of the Board of Directors. A "Disinterested Director," as used in Article Eighth, is any member of the Board of Directors who is not affiliated or associated with such Interested Shareholder and who was a director of the Company prior to the date on which such Interested Shareholder became an Interested Shareholder, and any successor to such Disinterested Director who is not affiliated or associated with such Interested Shareholder and was recommended or elected by a majority of Disinterested Directors.

The By-laws of the Company presently provide that (a) shareholder nominations for directors must meet certain timing and procedural requirements, which are described on page 33 under the caption "Deadlines for Nominations and Shareholders Proposals," and (b) only the Chairman of the Board and Chief Executive Officer, a Vice Chairman of the Board, the President and Chief Operating Officer, or a majority of the entire Board may direct that a special meeting of shareholders be called.

Pursuant to Section 912 of the New York Business Corporation Law (the "BCL"), a New York "domestic corporation" may not engage in certain business combinations (including, among other things, mergers and consolidations, certain sales or dispositions of assets, liquidations and recapitalizations) with interested shareholders (beneficial owners of 20 percent or more of the corporation's voting power). The Company believes that it is a domestic corporation within the meaning of the BCL. Section 912 would prohibit an interested shareholder from effecting any business combination with the Company for a period of five years following the date that such person first becomes an interested shareholder, unless there was approval by the Board of Directors of either the purchase of the 20 percent or greater interest or of the proposed business combination prior to the 20 percent acquisition. Section 912 further provides that, at the expiration of the five-year period, the interested shareholder could engage in a business combination with the Company only if such transaction is approved by a majority of the disinterested shareholders or if the price paid meets a statutory formula.

Section 513(c) of the BCL prohibits a domestic corporation from purchasing more than 10 percent of its stock from a shareholder for more than market value, unless the transaction is approved by a majority of the shareholders, the offer is made to all shareholders, or the selling shareholder has been the beneficial owner of the stock for more than two years.

Section 717(b) of the BCL entitles a director in taking action, including action which may involve a potential change in control of the corporation to consider both the long-term and the short-term interests of the corporation and its shareholders, and the effects of the corporation's actions on prospects for potential growth, current and retired employees, customers and creditors, and the communities in which the corporation does business.

THE BOARD CONSIDERS THE CONTINUATION OF THE RIGHTS PLAN, AS AMENDED, TO BE IN THE BEST INTERESTS OF ALL SHAREHOLDERS AND, THEREFORE, UNANIMOUSLY RECOMMENDS A VOTE AGAINST THE GREENWAY PROPOSAL RELATING TO THE RIGHTS PLAN (PROPOSAL 4).

PARTICIPANTS IN THE SOLICITATION

Under applicable regulations of the SEC, each member of the Board of Directors, certain executive officers of the Company and certain other corporate officers of the Company may be deemed to be a "participant" in the Company's solicitation of proxies. The principal occupation and business address of each person who may be deemed a participant are set forth in Appendix A hereto. Information about the present ownership by the directors and named executive officers of the Company of the Company's securities is provided in this proxy statement and the present ownership of the Company's securities by other participants is listed in Appendix A.

DEADLINES FOR NOMINATIONS AND SHAREHOLDER PROPOSALS

The Company's By-laws require that notice of nominations to the Board of Directors proposed by shareholders be received by the Secretary of the Company, along with certain other specified material, at least 75 days prior to the meeting of shareholders at which directors are to be elected. Any shareholder who wishes to nominate a candidate for election to the Board should obtain a copy of the relevant section of the By-laws from the Secretary of the Company.

Proposals of shareholders intended to be presented pursuant to Rule 14a-8 under the Exchange Act at the 2000 annual meeting must be received by the Secretary of the Company no later than February 16, 2000 in order to be considered for inclusion in the 2000 proxy statement. In order for proposals of shareholders made outside of Rule 14a-8 to be considered "timely" within the meaning of Rule 14a-4(c) under the Exchange Act, such proposals must be received by the Secretary of the Company no later than May 1, 2000. All proposals should be addressed to the Secretary, Venator Group, Inc., 233 Broadway, New York, New York 10279.

OTHER BUSINESS

The Board of Directors knows of no other business which will be presented at the 1999 annual meeting. If other matters properly come before the meeting, the persons named as proxies will exercise their discretionary authority to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

GARY M. BAHLER

Secretary

June 15, 1999

If you have any questions or require assistance, please contact:

INNISFREE M&A INCORPORATED
501 Madison Avenue, 20th Floor
New York, New York 10022
Toll Free (888) 750-5834

Banks and Brokerage Firms Please Call Collect:
(212) 750-5833

APPENDIX A

INFORMATION CONCERNING THE DIRECTORS AND CERTAIN OFFICERS OF THE COMPANY WHO MAY ALSO SOLICIT PROXIES

The following table sets forth the name, principal business address and the present office or other principal occupation or employment, and the name, principal business and the address of any corporation or other organization in which their employment is carried on, of the directors and certain officers of the Company ("Participants") who may also solicit proxies from shareholders of the Company. Unless otherwise indicated, the principal occupation refers to such person's position with the Company and the business address is Venator Group, Inc., 233 Broadway, New York, New York 10279.

DIRECTORS

The principal occupations of the Company's directors who are deemed Participants in the solicitation are set forth on pages 12 through 14 of this proxy statement. The principal business address of Messrs. Farah and Hilpert is that of the Company. The name, business and address of the other director-Participants' organization of employment are as follows:

NAME	ADDRESS
J. Carter Bacot	The Bank of New York Company, Inc. One Wall Street New York, NY 10286
Purdy Crawford	Imasco Limited Royal Bank Plaza 200 Bay Street North Tower, Suite 2000 Toronto, Ontario M5J 2J2 Canada
Philip H. Geier Jr	Interpublic Group of Companies, Inc. 1271 Avenue of the Americas New York, NY 10020
Jarobin Gilbert Jr	DBSS Group, Inc. 301 East 57th Street New York, NY 10022
Allan Z. Loren	American Express Company 200 Vesey Street New York, NY 10285
Margaret P. MacKimm	c/o Venator Group, Inc. 233 Broadway New York, NY 10279
John J. Mackowski	c/o Venator Group, Inc. 233 Broadway New York, NY 10279
James E. Preston	c/o Venator Group, Inc. 233 Broadway New York, NY 10279
Christopher A. Sinclair	Caribiner International 16 West 61st Street New York, NY 10023

EXECUTIVE OFFICERS AND CERTAIN CORPORATE OFFICERS

NAME	PRINCIPAL OCCUPATION
Gary M. Bahler	Senior Vice President, General Counsel and Secretary
M. Jeffrey Branman	Senior Vice President -- Corporate Development
John E. DeWolf III	Senior Vice President -- Real Estate
S. Ronald Gaston	Senior Vice President and Chief Information Officer
John F. Gillespie	Senior Vice President -- Human Resources
Bruce L. Hartman	Senior Vice President and Chief Financial Officer
Maryann M. McGeorge	Senior Vice President -- Merchandise Operations
John H. Cannon	Vice President and Treasurer
Lauren B. Peters	Vice President and Controller
Juris Pagrabs	Vice President -- Investor Relations
Frances E. Trachter	Vice President -- Public Affairs
Sheilagh M. Clarke	Counsel and Assistant Secretary

INFORMATION REGARDING OWNERSHIP OF THE COMPANY'S SECURITIES BY PARTICIPANTS

None of the Participants owns any of the Company's securities of record but not beneficially. The number of shares of Common Stock held by directors and the named executive officers is set forth on page 5 of this proxy statement. The number of shares of Common Stock held by the other Participants as of June 1, 1999 is set forth below. The information includes shares that may be acquired by the exercise of stock options within 60 days of June 1, 1999:

NAME	SHARE OWNERSHIP
Gary M. Bahler	128,681
John H. Cannon	112,585
S. Ronald Gaston	40,000
John F. Gillespie	92,614
Bruce L. Hartman	64,970
Maryann M. McGeorge	73,355
Lauren B. Peters	8,332
Juris Pagrabs	16,999
Frances E. Trachter	62,467
Sheilagh M. Clarke	8,499

INFORMATION REGARDING TRANSACTIONS IN THE COMPANY'S SECURITIES BY PARTICIPANTS

The following table sets forth purchases and sales of the Company's securities by the Participants listed below during the past two years. Unless otherwise indicated, all transactions are in the public market.

NAME	DATE	NUMBER OF SHARES OF COMMON COMMON STOCK PURCHASED OR (SOLD)	FOOTNOTE
DIRECTORS			
J. Carter Bacot	07/01/97	879	(1)
	07/01/98	1,129	(1)
Purdy Crawford	07/01/97	818	(1)
	07/01/98	1,050	(1)

NAME	DATE	NUMBER OF SHARES OF COMMON COMMON STOCK PURCHASED OR (SOLD)	FOOTNOTE
Roger N. Farah	03/19/98	(15,000)	(3)
	06/01/98	1,046	(2)
	02/10/99	500,000	(4)
	04/14/99	175,000	(4)
	04/16/99	115,488	(10)
	04/26/99	275,000	(11)
	06/01/99	1,282	(2)
	06/01/99	314	(6)
Philip H. Geier Jr	07/01/97	818	(1)
	07/01/98	1,050	(1)
	04/01/99	6,000	(7)
Jarobin Gilbert Jr	07/01/97	879	(1)
	09/10/97	(982)	(3)
	07/01/98	1,129	(1)
Dale W. Hilpert	04/08/98	100,000	(4)
	06/01/98	1,046	(2)
	06/12/98	100	(7)
	02/01/99	100,000	(5)
	02/10/99	150,000	(4)
	04/16/99	57,744	(10)
	06/01/99	2,239	(6)
Allan Z. Loren	04/09/98	100	(7)
	07/01/98	788	(1)
Margaret P. MacKimm	07/01/97	879	(1)
	07/01/98	1,129	(1)
John J. Mackowski	07/01/97	879	(1)
	07/01/98	1,129	(1)
	10/01/98	1,000	(7)
James E. Preston	07/01/97	1,759	(1)
	07/01/98	2,259	(1)
	10/28/98	8,000	(7)
	03/15/99	5,000	(7)
Christopher A. Sinclair	07/01/97	818	(1)
	07/01/98	1,050	(1)
EXECUTIVE OFFICERS AND CERTAIN CORPORATE OFFICERS			
Gary M. Bahler	02/10/98	2,000	(8)
	02/10/98	(1,793)	(9)
	04/08/98	25,000	(4)
	06/01/98	729	(2)
	02/01/99	30,000	(5)
	02/10/99	35,000	(4)
	04/16/99	3,253	(10)
	06/01/99	538	(2)
	06/01/99	314	(6)

NAME	DATE	NUMBER OF SHARES OF COMMON COMMON STOCK PURCHASED OR (SOLD)	FOOTNOTE
M. Jeffrey Branman	04/08/98	50,000	(4)
	06/01/98	1,046	(2)
	08/12/98	100,000	(4)
	09/25/98	7,000	(7)
	12/04/98	7,000	(7)
	12/28/98	(5,000)	(3)
	02/01/99	40,000	(5)
	02/10/99	50,000	(4)
	04/16/99	29,786	(10)
	06/01/99	275	(6)
John E. DeWolf III	04/08/98	50,000	(4)
	02/01/99	40,000	(5)
	02/10/99	50,000	(4)
	04/16/99	25,893	(10)
	04/23/99	(11,000)	(3)
	04/26/99	(14,893)	(3)
S. Ronald Gaston	11/30/98	30,000	(4)
	02/01/99	40,000	(5)
John F. Gillespie	04/08/98	30,000	(4)
	06/01/98	632	(2)
	02/01/99	30,000	(5)
	02/10/99	35,000	(4)
	04/16/99	23,566	(10)
	04/29/99	(23,000)	(3)
	06/01/99	1,141	(2)
	06/01/99	275	(6)
Bruce L. Hartman	04/08/98	25,000	(4)
	02/01/99	30,000	(5)
	02/10/99	35,000	(4)
	03/10/99	15,000	(4)
	06/01/99	1,020	(6)
	06/01/99	218	(2)
Maryann M. McGeorge	04/08/98	10,000	(4)
	02/01/99	30,000	(5)
	02/10/99	35,000	(4)
	04/16/99	3,072	(10)
	06/01/99	284	(6)
John H. Cannon	02/09/98	5,357	(8)
	02/09/98	(4,952)	(9)
	04/08/98	17,000	(4)
	10/07/98	10,000	(7)
	01/22/99	10,000	(7)
	02/10/99	17,000	(4)
	06/01/99	1,328	(6)
Lauren B. Peters	04/08/98	5,000	(4)
	09/01/98	12,000	(4)
	02/10/99	25,000	(4)
Juris Pagrabs	04/09/97	17,000	(4)
	04/08/98	17,000	(4)
	02/10/99	30,000	(4)

NAME	DATE	NUMBER OF SHARES OF COMMON COMMON STOCK PURCHASED OR (SOLD)	FOOTNOTE
Frances E. Trachter	04/09/97	10,000	(4)
	02/10/98	2,000	(8)
	02/10/98	(1,793)	(9)
	04/08/98	10,000	(4)
	02/10/99	10,000	(4)
	06/01/99	314	(6)
Sheilagh M. Clarke	04/09/97	2,000	(4)
	04/08/98	2,000	(4)
	02/10/99	3,000	(4)

FOOTNOTES:

(1) Acquisition of shares under the Directors' Stock Plan.

(2) Acquisition of shares under the 1994 Employees Stock Purchase Plan.

(3) Open market sale.

(4) Stock option grant.

(5) Restricted stock award granted under the 1998 Stock Option and Award Plan and pursuant to a Restricted Stock Agreement dated as of February 1, 1999.

(6) The aggregate number of shares owned, as of the dated indicated, which were purchased through periodic payments and/or the annual Company Match under the Company's 401(k) Plan.

(7) Open market purchase.

(8) Stock option exercise.

(9) Shares swapped in to the Company to exercise stock option.

(10) Payment under the Long-Term Plan in shares of Common Stock of a portion of the bonus earned for the 1996-1998 Performance Period.

(11) Restricted stock award granted under the 1998 Stock Option and Award Plan and pursuant to a Restricted Stock Agreement dated as of April 26, 1999.

MISCELLANEOUS INFORMATION CONCERNING PARTICIPANTS

Except as described in this Appendix A or in the proxy statement, none of the Participants nor any of their respective affiliates or associates (together, the "Participant Affiliates"), (i) directly beneficially owns any shares of Common Stock of the Company or any securities of any subsidiary of the Company or (ii) has had any relationship with the Company in any capacity other than as a shareholder, employee, officer or director. Furthermore, except as described in this Appendix A or in the proxy statement, no Participant or Participant Affiliate is either a party to any transaction or series of transactions since February 1, 1998, or has knowledge of any currently proposed transaction or series of transactions, (i) to which the Company or any of its subsidiaries was or is to be a party, (ii) in which the amount involved exceeds $60,000, and (iii) in which any Participant or Participant Affiliate had or will have, a direct or indirect material interest.

Except for the employment agreements described in the proxy statement, no Participant or Participant Affiliate has entered into any agreement or understanding with any person respecting any future employment by the Company or its affiliates or any future transactions to which the Company or any of its affiliates will or may be a party. Except as described in this Appendix A or in the proxy statement, there are no contracts, arrangements or understandings by any Participant or Participant Affiliate within the past year with any person with respect to the Company's Common Stock.

PROXY

VENATOR GROUP, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE ANNUAL MEETING TO BE HELD ON JULY 16, 1999.

Gary M. Bahler, Roger N. Farah, Bruce L. Hartman, or any of them, each with power of substitution, are hereby authorized to vote the shares of the undersigned at the Annual Meeting of Shareholders of Venator Group, Inc., to be held on July 16, 1999, at 1:00 P.M., local time, at 311 Manatee Avenue West, Bradenton, Florida 34205 and at any adjournment or postponement thereof, upon the matters set forth in the Venator Group, Inc. Proxy Statement and upon such other matters as may properly come before the Annual Meeting, voting as specified on the reverse side of this card with respect to the matters set forth in the Proxy Statement, and voting in the discretion of the above-named persons on such other matters as may properly come before the Annual Meeting.

PROPOSAL 1. - ELECTION OF DIRECTORS.

Nominees for Terms Expiring at the Annual Meeting in 2002: J. Carter Bacot, Purdy Crawford, Philip H. Geier Jr., and Dale W. Hilpert

PLEASE SIGN AND DATE THE REVERSE SIDE OF THIS PROXY CARD AND PROMPTLY RETURN IT IN THE ENCLOSED ENVELOPE.

YOU MAY SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOXES, SEE REVERSE SIDE, BUT YOU NEED NOT MARK ANY BOX IF YOU WISH TO VOTE IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS. THE PERSONS NAMED ABOVE AS PROXIES CANNOT VOTE YOUR SHARES UNLESS YOU SIGN AND RETURN THIS CARD.

(continued on reverse side)

[X] PLEASE MARK YOUR VOTES AS IN THIS EXAMPLE.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS 1 AND 2 AND AGAINST PROPOSALS 3 AND 4.

DIRECTORS RECOMMEND A VOTE "FOR" PROPOSALS 1 AND 2

	FOR	WITHHELD
1. ELECTION OF DIRECTORS (see reverse side)	[ ]	[ ]

FOR, except vote withheld from the following nominee(s):

- --

	FOR	AGAINST	ABSTAIN
2. APPOINTMENT OF INDEPENDENT ACCOUNTANTS	[ ]	[ ]	[ ]

DIRECTORS RECOMMEND A VOTE "AGAINST" PROPOSALS 3 AND 4

	FOR	AGAINST	ABSTAIN
3. GREENWAY PROPOSAL TO CHANGE THE COMPANY'S NAME	[ ]	[ ]	[ ]

	FOR	AGAINST	ABSTAIN
4. GREENWAY PROPOSAL TO TERMINATE THE RIGHTS PLAN.	[ ]	[ ]	[ ]

I plan to attend meeting. [ ]

SIGNATURE(S) -------------------------------- DATE --------------------, 1999

NOTE: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, give full title as such. If signing on behalf of a corporation, sign the full corporate name by authorized officer. The signer hereby revokes all proxies heretofore given by the signer to vote at the 1999 Annual Meeting of Shareholders of Venator Group, Inc. and any adjournment or postponement thereof.