SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 10 - Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 29, 2000

Commission file no. 1-10299

VENATOR GROUP, INC.
(Exact name of registrant as specified in its charter)

New York	13-3513936
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
112 W. 34th Street, New York, New York	10120
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (212) 720-3700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO -----

Number of shares of Common Stock outstanding at September 1, 2000: 137,899,876

VENATOR GROUP, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except shares)

	July 29, 2000 (Unaudited)	July 31, 1999* (Unaudited)	January 29, 2000 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	$ 25	$ 78	$ 162
Merchandise inventories	841	812	739
Assets held for disposal	45	82	61
Net assets of discontinued operations	9	93	13
Other current assets	126	158	114
	1,046	1,223	1,089
Property and equipment, net	764	941	809
Deferred taxes	316	354	317
Goodwill, net	147	155	151
Other assets	148	100	149
	$ 2,421	$ 2,773	$ 2,515
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term debt	$ 95	$ 332	$ 71
Accounts payable	315	260	233
Accrued liabilities	207	190	254
Current portion of repositioning and restructuring reserves	48	25	88
Current portion of reserve for discontinued operations	18	105	25
Current portion of long-term debt and obligations under capital leases	5	206	106
	688	1,118	777
Long-term debt and obligations under capital leases	310	313	312
Other liabilities	267	333	287
Shareholders' equity			
Common stock and paid-in capital: 138,018,853; 137,402,104 and 137,542,104 shares, respectively	343	334	337
Retained earnings	969	864	945
Accumulated other comprehensive loss	(155)	(189)	(142)
Less: Treasury stock at cost: 189,625; 30,000 and 100,000 shares, respectively	(1)	-	(1)
Total shareholders' equity	1,156	1,009	1,139
	$ 2,421	$ 2,773	$ 2,515

See Accompanying Notes to Condensed Consolidated Financial Statements.

* 1999 interim information has been restated to reflect the change in method for calculating the market-related value of pension plan assets.

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in millions, except per share amounts)

	Thirteen weeks ended		Twenty-six weeks ended	
	July 29, 2000	July 31, 1999*	July 29, 2000	July 31, 1999*
Sales	$ 1,041	$ 1,063	$ 2,149	$ 2,142
Costs and Expenses				
Cost of sales	743	791	1,530	1,582
Selling, general and administrative expenses	241	248	499	504
Depreciation and amortization	41	46	81	91
Restructuring charge	-	52	-	52
Interest expense, net	6	17	15	28
Other income	(6)	(25)	(16)	(31)
	1,025	1,129	2,109	2,226
Income (loss) from continuing operations before income taxes	16	(66)	40	(84)
Income tax expense (benefit)	7	(26)	16	(33)
Income (loss) from continuing operations	9	(40)	24	(51)
Income on disposal of discontinued operations, net of income tax expense of $7	-	10	-	10
Cumulative effect of accounting change, net of income tax expense of $6	-	-	-	8
Net income (loss)	$ 9	$ (30)	$ 24	$ (33)
Basic earnings per share:				
Income (loss) from continuing operations	$ 0.07	$ (0.29)	$ 0.18	$ (0.37)
Income from discontinued operations	-	0.07	-	0.07
Cumulative effect of accounting change	-	-	-	0.06
Net income (loss)	$ 0.07	$ (0.22)	$ 0.18	$ (0.24)
Weighted-average common shares outstanding	137.7	137.3	137.6	137.0
Diluted earnings per share:				
Income (loss) from continuing operations	$ 0.07	$ (0.29)	$ 0.18	$ (0.37)
Income from discontinued operations	-	0.07	-	0.07
Cumulative effect of accounting change	-	-	-	0.06
Net income (loss)	$ 0.07	$ (0.22)	$ 0.18	$ (0.24)
Weighted-average common shares assuming dilution	139.0	137.3	138.8	137.0

See Accompanying Notes to Condensed Consolidated Financial Statements.

* 1999 interim information has been restated to reflect the change in method for calculating the market-related value of pension plan assets.

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(in millions)

	Thirteen weeks ended		Twenty-six weeks ended	
	July 29, 2000	July 31, 1999*	July 29, 2000	July 31, 1999*
Net income (loss)...	$ 9	$ (30)	$ 24	$ (33)
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments arising during the period, net of deferred tax expense (benefit) of $1, ($4), ($8) and ($1), respectively.................	2	(6)	(13)	(2)
Comprehensive income (loss).................................	$ 11	$ (36)	$ 11	$ (35)

See Accompanying Notes to Condensed Consolidated Financial Statements.

* 1999 interim information has been restated to reflect the change in method for calculating the market-related value of pension plan assets.

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

	Twenty-six weeks ended July 29, 2000	Twenty-six weeks ended July 31, 1999*
From Operating Activities:		
Net income (loss)	$ 24	$ (33)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities of continuing operations:		
Cumulative effect of accounting change, net of tax	-	(8)
Restructuring charge	-	52
Income on disposal of discontinued operations, net of tax	-	(10)
Depreciation and amortization	81	91
Gains on sales of investments	(6)	-
Gains on sales of real estate	(10)	(31)
Deferred taxes	(11)	(23)
Change in assets and liabilities:		
Merchandise inventories	(106)	(26)
Accounts payable and other accruals	36	(67)
Repositioning and restructuring reserves	(41)	(8)
Other, net	7	(31)
Net cash used in operating activities of continuing operations	(26)	(94)
From Investing Activities:		
Proceeds from sales of investments	7	-
Proceeds from sales of real estate	7	23
Capital expenditures	(44)	(97)
Net cash used in investing activities of continuing operations	(30)	(74)
From Financing Activities:		
Increase in short-term debt	24	82
Reduction in long-term debt and capital lease obligations	(103)	(3)
Issuance of common stock	4	5
Net cash (used in) provided by financing activities of continuing operations	(75)	84
Net Cash used in Discontinued Operations	(6)	(31)
Effect of exchange rate fluctuations on Cash and Cash Equivalents	-	-
Net change in Cash and Cash Equivalents	(137)	(115)
Cash and Cash Equivalents at beginning of year	162	193
Cash and Cash Equivalents at end of interim period	$ 25	$ 78
Cash paid during the period:		
Interest	$ 19	$ 34
Income taxes	$ 25	$ 16

See Accompanying Notes to Condensed Consolidated Financial Statements.

* 1999 interim information has been restated to reflect the change in method for calculating the market-related value of pension plan assets.

VENATOR GROUP, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in the Registrant's Form 10-K for the year ended January 29, 2000, as filed with the Securities and Exchange Commission (the "SEC") on April 21, 2000. Certain items included in these statements are based on management's estimates. In the opinion of management, all material adjustments, which are of a normal recurring nature, necessary for a fair presentation of the results for the interim periods have been included. The results for the twenty-six weeks ended July 29, 2000 are not necessarily indicative of the results expected for the year.

Cumulative Effect of Change in Accounting Principle

In the fourth quarter of 1999, the Registrant adopted a preferred method for calculating the market-related value of its U.S. pension plan assets used in determining annual pension expense. The change was accounted for as if it had occurred at the beginning of the first quarter of 1999 and accordingly, interim information presented for 1999 has been restated to reflect this change. The impact of this change resulted in a non-cash benefit in 1999 of approximately $14 million before-tax, or $0.06 per diluted share, representing the cumulative effect of the accounting change related to years prior to 1999. The change resulted in lower pension expense in 1999 of $4.5 million before-tax, or $0.02 per diluted share as follows: $0.8 million in each of the first and second quarters, $1.8 million in the third quarter and $1.1 million in the fourth quarter.

1999 Restructuring

During the second quarter of 1999, the Registrant recorded a restructuring charge of $64 million before-tax or $39 million after-tax, in connection with its plan to sell or liquidate eight non-core businesses: The San Francisco Music Box Company, Randy River Canada, Foot Locker Outlets, Colorado, Team Edition, Going To The Game!, Weekend Edition and Burger King franchises. Major components of the charge included $24 million for leasehold and real estate disposition costs, $19 million for fixed asset and other asset impairments, $12 million for inventory markdowns and $9 million for other exit costs. The inventory markdowns of $12 million were included in cost of sales while the remaining $52 million restructuring charge was included in operating expenses. The Registrant recorded an additional charge to the reserve of $3 million in the third quarter of 1999 relating to fixed asset and real estate disposition costs and a reduction of $4 million in the fourth quarter of 1999 relating to better than anticipated real estate disposition costs related to the Foot Locker Outlets. In the first quarter of 2000, the Registrant recorded an additional charge of $5 million related to the disposal of the remaining businesses. The Registrant recorded a reduction of $3 million to the reserve in the second quarter of 2000, as the Foot Locker Outlets real estate disposition continued to produce better than anticipated results. Disposition activity of approximately $13 million charged to the reserve included $10 million in leasehold and real estate disposition costs, $1 million for the loss on disposal of Randy River Canada and $2 million in severance and other costs for the twenty-six weeks ended July 29, 2000. The reserve balance at July 29, 2000 of $13 million reflects estimated lease costs of $5 million and other disposition costs of $8 million, which will be substantially utilized in 2000.

In the fourth quarter of 1999, the Registrant announced a further restructuring plan and recorded a charge of $92 million before-tax or $56 million after-tax. The Registrant planned to close 358 under-performing stores in the United States and Canada (including the entire Northern Getaway and Northern Elements formats in the United States) and its Foot Locker stores in Asia, to reduce sales support and corporate staff by over 30 percent and to close its distribution center in Maumelle, Arkansas.

As of January 29, 2000, 72 stores included in the accelerated store-closing program had been closed. During the first and second quarters of 2000, an additional 215 and 11 stores were closed, respectively. In the second quarter of 2000, the Registrant recorded a further charge of approximately $4 million primarily associated with unfavorable real estate costs, the addition of 6 stores to the program and further fixed asset write-offs. This charge was partially offset by $1 million due to management's decision to continue to operate 14 athletic stores that were originally included in the accelerated store-closing program, as a result of favorable lease renewal terms offered during negotiations with landlords.

The remaining 52 stores included in the program are expected to close during the balance of the year. Disposition activity charged to the reserve during the first and second quarters of 2000 amounted to approximately $4 million and $12 million, respectively, and primarily comprised real estate costs. The reserve balance of $24 million at July 29, 2000 represents leasehold and real estate disposition costs. Of the original 3,100 planned terminations, approximately 300 positions have yet to be eliminated in the United States and Canada as of July 29, 2000.

All remaining Foot Locker stores in Asia were closed during the first quarter of 2000. Real estate, severance and other exit costs of approximately $3 million for the twenty-six weeks ended July 29, 2000 essentially utilized the remaining reserve for those stores.

In connection with the reduction of sales support and corporate staff, approximately 350 of the 400 positions have been eliminated and the related severance costs reduced the reserve from $14 million at January 29, 2000 to $5 million at July 29, 2000. The Registrant entered into an agreement to sublease its Maumelle distribution center earlier than anticipated and to sell the associated fixed assets, which had been fully impaired in the fourth quarter of 1999, for proceeds of approximately $3 million. The Registrant recorded a reduction to the Maumelle reserve of $5 million in connection with the agreement in the first quarter of 2000 and the proceeds were received in the second quarter. Disposition activity of $2 million in the second quarter of 2000 comprised severance payments of $1 million to eliminate 181 positions and real estate costs of $1 million. The remaining reserve balance as of July 29, 2000 of $1 million reflects lease and other exit costs.

Sales and operating losses of the above non-core businesses and under-performing stores included in the consolidated results of operations for the thirteen and twenty-six weeks ended July 29, 2000 and July 31, 1999, respectively, are presented below.

	Thirteen weeks ended		Twenty-six weeks ended	
(in millions)	July 29, 2000	July 31, 1999	July 29, 2000	July 31, 1999
Sales	$ 27	$ 83	$ 63	$ 159
Operating loss	$ (4)	$ (20)	$ (16)	$ (44)

Inventory, fixed assets and other long-lived assets of all businesses to be exited have been valued at the lower of cost or net realizable value. These assets, totaling $45 million, $82 million and $61 million have been reclassified as assets held for disposal in the Condensed Consolidated Balance Sheets as of July 29, 2000, July 31, 1999 and January 29, 2000, respectively.

Long-Term Debt

The Registrant purchased $100 million of the $200 million 7.0 percent debentures, which were due June 1, 2000, at various dates throughout January 2000. The Registrant purchased an additional $13 million of the 7.0 percent debentures prior to June 1, 2000, when the remaining $87 million balance outstanding was repaid.

Other Income

Other income of $16 million for the twenty-six weeks ended July 29, 2000 included corporate real estate gains of $4 million and $6 million in the first and second quarters, respectively, and a $6 million gain associated with the demutualization of the Metropolitan Life Insurance Company in the first quarter of 2000. Other income of $31 million for the twenty-six weeks ended July 31, 1999 reflected corporate real estate gains of $24 million primarily related to the second quarter sale of two corporate properties, and the recognition of $7 million of the deferred gain recorded on the 1998 sale of the corporate headquarters.

Segment Information

Sales and operating results for the Registrant's reportable segments for the thirteen and twenty-six weeks ended July 29, 2000 and July 31, 1999, respectively, are presented below. Operating results reflect income (loss) from continuing operations before income taxes, excluding corporate expense, corporate gains and net interest expense.

Sales:

(in millions)	Thirteen weeks ended		Twenty-six weeks ended	
	July 29, 2000	July 31, 1999	July 29, 2000	July 31, 1999
Global Athletic Group:				
Retail Stores	$ 899	$ 855	$ 1,862	$ 1,738
Direct to Customers	47	38	104	86
	946	893	1,966	1,824
Northern Group	76	86	146	155
All Other *	19	84	37	163
	$ 1,041	$ 1,063	$ 2,149	$ 2,142

Operating Results:

(in millions)	Thirteen weeks ended		Twenty-six weeks ended	
	July 29, 2000	July 31, 1999**	July 29, 2000	July 31, 1999**
Global Athletic Group:				
Retail Stores (1)	$ 48	$ (58)	$ 113	$ (42)
Direct to Customers	(5)	(1)	(8)	3
	43	(59)	105	(39)
Northern Group (2)	(2)	(5)	(16)	(22)
All Other*(3)	(4)	2	(13)	2
Operating profit (loss)	37	(62)	76	(59)
Corporate expense (income) (4)	15	(13)	21	(3)
Interest expense, net	6	17	15	28
Income (loss) from continuing operations before income taxes	$ 16	$ (66)	$ 40	$ (84)

(1) Both periods presented for 1999 include restructuring charges of $64 million. Both periods presented for 2000 include a $3 million reduction in the 1999 second quarter restructuring charge, offset by a $2 million restructuring charge.

(2) Both periods presented for 2000 include a $1 million restructuring charge.

(3) Twenty-six weeks ended July 29, 2000 includes first quarter restructuring charge of $5 million.

(4) Twenty-six weeks ended July 29, 2000 includes a $5 million reduction in the 1999 fourth quarter restructuring charge.

* All formats presented as "All Other" were either disposed or held for disposal at July 29, 2000. Sales and operating results in 2000 do not include Afterthoughts, Weekend Edition and Randy River Canada, which were sold in the fourth quarter of 1999.

** 1999 interim information has been restated to reflect the change in method for calculating the market-related value of pension plan assets.

Discontinued Operations

In the third quarter of 1998, the Registrant announced that it was exiting its International General Merchandise segment. Disposition activity of approximately $5 million charged to the reserve for the first half of 2000 primarily reflected lease payments. Of the remaining reserve balance of $5 million at July 29, 2000, $2 million is required to satisfy lease obligations within twelve months and the remaining $3 million thereafter.

The Registrant also announced in the third quarter of 1998 that it was exiting its Specialty Footwear segment. Net disposition activity of approximately $7 million charged to the reserve for the first half of 2000 primarily reflected lease payments. The reserve balance of $21 million at July 29, 2000 primarily represents leasehold obligations, $5 million of which is expected to be utilized within twelve months and the remaining $16 million thereafter.

In 1997, the Registrant announced that it was exiting its Domestic General Merchandise segment. Net disposition activity of approximately $4 million charged to the reserve for the first half of 2000 included payments for leasehold and real estate disposition costs. The reserve balance of $19 million at July 29, 2000 is included in current liabilities ($11 million) and other liabilities ($8 million) and consists principally of real estate disposition costs.

The following is a summary of the net assets of discontinued operations:

(in millions)	July 29, 2000	July 31, 1999	January 29, 2000
International General Merchandise			
Assets	$ -	$ 45	$ 5
Liabilities	-	7	2
Net assets of discontinued operations	$ -	$ 38	$ 3
Specialty Footwear			
Assets	$ 4	$ 55	$ 5
Liabilities	2	9	2
Net assets of discontinued operations	$ 2	$ 46	$ 3
Domestic General Merchandise			
Assets	$ 11	$ 13	$ 12
Liabilities	4	4	5
Net assets of discontinued operations	$ 7	$ 9	$ 7
Total net assets of discontinued operations	$ 9	$ 93	$ 13

The assets primarily include deferred tax assets and fixed assets. Liabilities primarily reflect accounts payable and other accrued liabilities.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of foreign currency translation adjustments of $153 million, $146 million, and $140 million, and minimum pension liability adjustments of $2 million, $43 million, and $2 million, at July 29, 2000, July 31, 1999, and January 29, 2000, respectively.

Earnings Per Share

Basic earnings per share is computed as net income (loss) divided by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur from common shares issuable through stock-based compensation including stock options and restricted stock awards. A reconciliation of weighted-average common shares outstanding to weighted-average common shares assuming dilution follows:

	Thirteen weeks ended		Twenty-six weeks ended	
(in millions)	July 29, 2000	July 31, 1999	July 29, 2000	July 31, 1999
Weighted-average common shares outstanding....................	137.7	137.3	137.6	137.0
Incremental common shares issuable............................	1.3	-	1.2	-
Weighted-average common shares assuming dilution..............	139.0	137.3	138.8	137.0

Incremental common shares were not included in the computation for the quarter and year-to-date period ended July 31, 1999 since their inclusion in periods when the Registrant reported a loss from continuing operations would be antidilutive. Options to purchase 4.9 million and 6.3 million shares of common stock with an exercise price greater than the average market price were not included in the computation of diluted earnings per share for the thirteen and twenty-six weeks ended July 29, 2000, respectively.

Stock Plans

The 1998 Stock Option and Award Plan was amended during the quarter to provide awards of up to 12,000,000 shares of the Registrant's common stock. The number of shares reserved for issuance as restricted can not exceed 3,000,000 shares.

During the second quarter, the Registrant adopted the Directors Stock Option Plan ("Directors Option Plan"). Under the Directors Option Plan, non-employee directors can receive options to purchase shares of the Registrant's common stock at 100 percent of the market price at the date of the grant. Options are exercisable in three equal installments commencing on the first anniversary of the date of grant. The options terminate 10 years from the date of grant. An aggregate of 100,000 shares is available for issuance under the Directors Option Plan.

Recent Accounting Pronouncements

In March 2000, the Financial Accounting Standards Board ("FASB") issued Financial Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an Interpretation of APB Opinion 25, Accounting for Stock Issued to Employees," ("FIN No. 44"). FIN No. 44 provides further guidance related to accounting for stock-based compensation, in particular to changes in stock-based awards after the grant date. In the second quarter of 2000, the Registrant adopted FIN No. 44, which did not have any impact on its consolidated financial statements.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB No. 101"), which interprets generally accepted accounting principles related to revenue recognition in financial statements. The Registrant will change its method of accounting for sales under its layaway program and will record the cumulative effect, if any, of that change in the fourth quarter of 2000. The Registrant does not expect SAB No. 101 to have a significant impact on its consolidated financial statements. The Emerging Issues Task Force recently released Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs" ("Issue No. 00-10") and Issue No. 00-14, "Accounting for Certain Sales Incentives" ("Issue No. 00-14"). Issue No. 00-10 requires shipping and handling charges to customers to be reported as sales and the associated costs to be included in cost of sales, and Issue No. 00-14 addresses the recognition, measurement, and income statement classification for certain sales incentives. The Registrant will adopt Issue No. 00-10 and Issue No. 00-14 in the fourth quarter of 2000 and does not expect either issue to have a significant impact on its consolidated financial statements.

In June 1998, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS 133, as amended by SFAS No. 137 and SFAS No. 138, is effective for the Registrant for fiscal year 2001. SFAS 133 establishes accounting and reporting standards for derivative instruments and hedging activities. The Registrant is in the process of evaluating SFAS No. 133, as amended, to determine its impact on the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

References included herein to businesses disposed and held for disposal relate to Afterthoughts, The San Francisco Music Box Company, Foot Locker Outlets, Colorado, Team Edition, Going To The Game!, Randy River Canada, Weekend Edition, Burger King franchises, Foot Locker Asia, Northern Elements U.S. and Northern Getaway U.S.

RESULTS OF OPERATIONS

Sales of $1,041 million for the second quarter of 2000 decreased 2.1 percent from sales of $1,063 million for the second quarter of 1999, reflecting a 6.7 percent increase attributable to sales of ongoing formats, offset by an 8.8 percent decline related to businesses disposed and held for disposal. Sales of $2,149 million for twenty-six weeks ended July 29, 2000 were essentially flat as compared with $2,142 million for the twenty-six weeks ended July 31, 1999, reflecting an increase of 8.6 percent attributable to ongoing formats, which was substantially offset by a decline of 8.3 percent related to businesses disposed and held for disposal. Excluding the effect of foreign currency fluctuations and sales from businesses disposed and held for disposal, sales increased 8.9 percent and 10.8 percent for the second quarter and year-to-date periods of 2000, respectively, as compared with the corresponding prior-year periods, reflecting increases of 10.4 percent and 11.9 percent in comparable-store sales.

Gross margin, as a percentage of sales, improved by approximately 300 basis points to 28.6 percent in the second quarter of 2000 and 270 basis points to 28.8 percent for the twenty-six weeks ended July 29, 2000, as compared with the corresponding prior-year periods. These increases reflect both improved purchasing and reduced occupancy and buying costs in 2000 as a percentage of sales. Excluding the inventory markdowns of $12 million in the second quarter of 1999 associated with the Registrant's restructuring plan to exit eight non-core businesses, gross margin increased by approximately 190 basis points in the second quarter.

Selling, general and administrative expenses ("SG&A") of $241 million declined to 23.2 percent of sales in the second quarter of 2000 as compared with 23.3 percent in the corresponding prior-year period. SG&A of $499 million for the twenty-six weeks ended July 29, 2000, declined approximately 30 basis points to 23.2 percent of sales. These declines reflect the reduced and more efficient store base in the first half of 2000 as compared with a year earlier, offset, in part, by increased store compensation and initiative costs in 2000. For the twenty-six weeks ended July 29, 2000, SG&A also included Internet costs of approximately $12 million primarily related to website strategic development and marketing.

Depreciation and amortization expense of $41 million and $81 million for the thirteen and twenty-six weeks ended July 29, 2000, respectively, was approximately 11.0 percent lower than in the corresponding prior-year periods. These decreases reflect the reduction in depreciable assets as a result of the disposal of businesses in 1999 and more focused capital expenditure programs in 2000 and 1999, as compared with prior years.

Interest expense, net decreased by $11 million and by $13 million for the thirteen and twenty-six weeks ended July 29, 2000, respectively, as compared with the corresponding prior-year periods. These decreases reflect reduced short-term interest expense related to lower average short-term borrowing levels, offset in part by higher short-term interest rates, and reduced long-term interest expense resulting from the early retirement and repayment of the $200 million 7.0 percent debentures due in June 2000. Interest income, primarily related to income tax settlements and refunds, of $4 million in the second quarter of 2000 increased by $3 million compared with the corresponding period in 1999.

Other income of $16 million for the twenty-six weeks ended July 29, 2000 included corporate real estate gains of $10 million related to property sales and a $6 million gain associated with the recent demutualization of the Metropolitan Life Insurance Company. This compared with $31 million for the first half of 1999 primarily related to property sales.

The Registrant reported net income for the thirteen and twenty-six weeks ended July 29, 2000 of $9 million and $24 million, respectively, or $0.07 and $0.18 per diluted share. The Registrant reported a net loss for the quarter and year-to-date periods ended July 31, 1999 of $30 million and $33 million, respectively, or $0.22 and $0.24 per diluted share, which included income from discontinued operations of $10 million after-tax, or $0.07 per diluted share. The twenty-six weeks ended July 31, 1999 also included income from the cumulative effect of an accounting change of $8 million after-tax, or $0.06 per diluted share.

STORE COUNT

The following table summarizes store count by segment, after reclassification for businesses disposed and held for disposal. During the twenty-six weeks ended July 29, 2000, the Registrant remodeled or relocated 66 stores. 226 of the 378 stores closed during the first half of 2000 related to the 1999 accelerated store-closing program and 34 closures reflected the amalgamation of the Northern Traditions and Northern Reflections formats in the second quarter of 2000. An additional 52 under-performing stores related to the accelerated store-closing program will be closed during the balance of the year, of which 48 are included in the Global Athletic Group at July 29, 2000.

	January 29, 2000	Opened	Closed	July 29, 2000	July 31, 1999
Global Athletic Group	3,693	10	67	3,636	3,704
Northern Group	836	11	144	703	849
Disposed and held for disposal	345	2	167	180	1,362
Total	4,874	23	378	4,519	5,915

SALES

The following table summarizes sales by segment, after reclassification for businesses disposed and held for disposal. The disposed and held for disposal category represents all businesses sold or closed or held for disposal other than the discontinued segments, and are therefore included in continuing operations.

(in millions)	Thirteen weeks ended		Twenty-six weeks ended	
	July 29, 2000	July 31, 1999	July 29, 2000	July 31, 1999
Global Athletic Group:				
Retail Stores	$ 898	$ 828	$ 1,860	$ 1,687
Direct to Customers	47	38	104	86
	945	866	1,964	1,773
Northern Group	76	83	143	149
Disposed and held for disposal	20	114	42	220
Total sales	$ 1,041	$ 1,063	$ 2,149	$ 2,142

Global Athletic Group sales increased by 9.1 percent and by 10.8 percent for the 2000 second quarter and year-to-date periods as compared with the corresponding prior-year periods, reflecting comparable-store sales increases of 11.3 percent and 12.6 percent, respectively. Sales from ongoing retail store formats increased by 8.5 percent and by 10.3 percent, respectively, reflecting stronger sales performance in all formats, particularly in Europe. Footwear continued to drive the sales growth across all formats, particularly the high-end athletic footwear lines, such as Nike Tuned Air running shoes and Nike Up Tempo basketball shoes. Private label apparel at the Foot Locker and Lady Foot Locker formats also contributed to the strong sales performance. Direct to Customers sales increased by 23.7 percent and by 20.9 percent for the thirteen and twenty-six weeks ended July 29, 2000 as compared with the corresponding prior-year periods. Catalog sales increased by 5.4 percent to $39 million in the second quarter of 2000 and by 6.0 percent to $88 million for the year-to-date period. Internet sales of $8 million and $16 million, excluding freight, for the thirteen and twenty-six weeks ended July 29, 2000, increased by $7 million and $13 million, respectively, as compared with the corresponding periods in 1999.

Excluding the impact of foreign currency fluctuations, Northern Group sales declined by 9.0 percent for the second quarter of 2000 and by 4.4 percent for the year-to-date period. Comparable-store sales, which were essentially flat for the second quarter, increased by 2.7 percent for the year-to-date period, and were offset by the impact of 112 fewer stores in the United States and Canada. As part of the ongoing reorganization at the Northern Group, the former Northern Traditions stores were combined with the Northern Reflections format resulting in an overall reduction of 34 stores.

OPERATING RESULTS

Operating results reflect income (loss) from continuing operations before income taxes, excluding corporate expense, corporate gains and net interest expense. The following table summarizes operating profit (loss) by segment, after reclassification for businesses disposed and held for disposal.

(in millions)	Thirteen weeks ended		Twenty-six weeks ended	
	July 29, 2000	July 31, 1999	July 29, 2000	July 31, 1999
Global Athletic Group:				
Retail Stores	$ 47	$ 15	$ 114	$ 41
Direct to Customers	(5)	(1)	(8)	3
	42	14	106	44
Northern Group	(1)	(2)	(12)	(15)
Disposed and held for disposal	(4)	(10)	(13)	(24)
Restructuring charges	-	(64)	(5)	(64)
Total operating profit (loss)	$ 37	$ (62)	$ 76	$ (59)

The Global Athletic Group reported operating profits of $42 million and $106 million for the thirteen and twenty-six weeks ended July 29, 2000, respectively, as compared with $14 million and $44 million for the corresponding prior-year periods. Operating profit from ongoing retail stores increased by $32 million and by $73 million, reflecting improved sales and gross margin rate performances in all athletic formats, in a somewhat less promotional environment. Direct to Customers operating results declined by $4 million and $11 million, for the thirteen and twenty-six weeks ended July 29, 2000, as compared with the corresponding prior-year periods, resulting primarily from increased Internet strategic development and marketing costs of approximately $5 million and $12 million, respectively.

The Northern Group's operating results improved by $1 million and by $3 million, respectively, for the quarter and year-to-date periods in 2000, resulting primarily from the closure of under-performing stores.

Restructuring charges of $64 million for the thirteen and twenty-six weeks ended July 31, 1999 related to the eight non-core businesses to be exited in the 1999 restructuring program. The remaining businesses in the program incurred operating losses of $4 million and $13 million in the 2000 second quarter and year-to-date periods, respectively. Related to the disposition of these remaining businesses, the Registrant recorded a $5 million charge in the first quarter of 2000 and a reduction of $3 million in the second quarter of 2000. In addition, the second quarter of 2000 also included an additional restructuring charge of $3 million related to the 1999 accelerated store-closing program.

SEASONALITY

The Registrant's businesses are seasonal in nature. Historically, the greatest proportion of sales and net income is generated in the fourth quarter and the lowest proportions of sales and net income are generated in the first and second quarters, reflecting seasonal buying patterns. As a result of these seasonal sales patterns, inventory generally increases in the third quarter in anticipation of the strong fourth quarter sales.

LIQUIDITY AND CAPITAL RESOURCES

Generally, the Registrant's primary sources of cash have been from operations, borrowings under the revolving credit agreement, and proceeds from the sale of non-strategic assets. The Registrant generally finances real estate with operating leases. The principal use of cash has been to finance inventory requirements, which are generally at their peak during the third and fourth quarters, debt repayment, capital expenditures related to store openings, store remodelings and management information systems, and to fund other general working capital requirements.

Operating activities of continuing operations reduced cash by $26 million for the twenty-six weeks ended July 29, 2000, as compared with $94 million in the corresponding prior-year period. These amounts reflect the income (loss) from continuing operations reported by the Registrant in those periods, adjusted for non-cash items and working capital changes. The change in cash used for merchandise inventories and accounts payable primarily reflects the additional inventory purchases in 2000 associated with the increased sales volume. Merchandise inventories, excluding businesses disposed and held for disposal, of $841 million at July 29, 2000 increased by $64 million from $777 million at July 31, 1999. Included in cash flow from operations for the twenty-six weeks ended July 29, 2000 were cash payments of approximately $41 million related to the 1999 restructuring program.

Net cash used in investing activities of continuing operations was $30 million and $74 million for the first half of 2000 and 1999, respectively. Capital expenditures of $44 million for the twenty-six weeks ended July 29, 2000 primarily related to store remodelings as compared with $97 million for the corresponding prior-year period. Planned capital expenditures of $110 million for 2000 include expenditures for new store openings, remodeling of existing stores, management information systems, logistics and other support facilities. Proceeds from real estate disposition activities contributed $7 million in 2000 as compared with $23 million in 1999, primarily reflecting the sale of two properties in the second quarter. In the second quarter of 2000, the Registrant received $7 million in cash as a result of the recent demutualizaton of the Metropolitan Life Insurance Company.

Financing activities for the Registrant's continuing operations utilized cash of $75 million for the twenty-six weeks ended July 29, 2000 compared to cash provided by financing activities of $84 million for the corresponding prior-year period. Outstanding borrowings under the Registrant's revolving credit agreement were $95 million and $332 million at July 29, 2000 and July 31, 1999, respectively, and have been classified as short-term debt. The facility available at July 29, 2000 was $300 million. During the first quarter of 2000, the Registrant purchased $12 million of its $200 million 7.0 percent debentures and an additional $1 million on May 10, 2000. On June 1, 2000, the remaining balance of $87 million was repaid with restricted cash funds set aside on February 15, 2000, as required by the revolving credit agreement. Management believes current domestic and international credit facilities and cash provided by operations will be adequate to finance its working capital requirements and support the development of its short-term and long-term strategies.

Net cash used in discontinued operations primarily reflects real estate disposition expenses charged to the Specialty Footwear, International and Domestic General Merchandise reserves for both periods presented.

IMPACT OF EUROPEAN MONETARY UNION

The European Union comprises fifteen member states, eleven of which adopted a common currency, the "euro," effective January 1, 1999. From that date until January 1, 2002, the transition period, the national currencies will remain legal tender in the participating countries as denominations of the euro. Monetary, capital, foreign exchange and interbank markets have converted to the euro and non-cash transactions are possible in euros. On January 1, 2002, euro bank notes and coins will be issued and the former national currencies will be withdrawn from circulation no later than July 1, 2002.

The Registrant has reviewed the impact of the euro conversion on its information systems, accounting systems, vendor payments and human resources, and the necessary modifications, if any, are substantially in place. Plans to upgrade or modify the point of sale hardware and software are in progress and will be executed throughout 2000 and 2001.

The adoption of a single European currency will lead to greater product pricing transparency and a more competitive environment. The Registrant will display the euro equivalent price of merchandise as a customer service during the transition period, as will many retailers, until the official euro conversion in 2002. The euro conversion is not expected to have a significant effect on the Registrant's results of operations or financial condition.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of the federal securities laws. All statements, other than statements of historical facts, which address activities, events or developments that the Registrant expects or anticipates will or may occur in the future, including, but not limited to, such things as future capital expenditures, expansion, strategic plans, growth of the Registrant's business and operations and euro related actions and other such matters are forward-looking statements. These forward-looking statements are based on many assumptions and factors including effects of currency fluctuations, customer demand, fashion trends, competitive market forces and economic conditions worldwide and the ability of the Registrant to implement, in a timely manner, the programs and actions related to the euro issue. Any changes in such assumptions or factors could produce significantly different results.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The only legal proceedings pending against the Registrant or its consolidated subsidiaries consist of ordinary, routine litigation, including administrative proceedings, incident to the businesses of the Registrant, as well as litigation incident to the sale and disposition of businesses that have occurred in the past several years. Management does not believe that the outcome of such proceedings will have a material effect on the Registrant's consolidated financial position, liquidity, or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Registrant's annual meeting of shareholders was held on June 8, 2000, in Tarrytown, New York. Proxies were solicited by management of the Registrant pursuant to Regulation 14A under the Securities Exchange Act of 1934; there was no solicitation in opposition to management's nominees as listed in the Notice of 2000 Annual Meeting and Proxy Statement, both dated April 27, 2000.

(b) Matthew D. Serra was elected as a director in Class I for a one-year term ending at the annual meeting of shareholders of the Registrant in 2001. Each of Jarobin Gilbert Jr., Allan Z. Loren and David Y. Schwartz was elected as a director in Class III for a three-year term ending at the annual meeting in 2003. Except for Mr. Schwartz, all of such individuals previously served as directors of the Registrant. James E. Preston, Christopher A. Sinclair, J. Carter Bacot, Purdy Crawford, Philip H. Geier Jr., and Dale W. Hilpert, having previously been elected directors of the Registrant for terms continuing beyond the 2000 annual meeting of shareholders, continue in office as directors. Margaret P. MacKimm and John J. Mackowski retired as directors at the 2000 annual meeting.

(c) The matters voted upon and the results of the voting were as follows:

(1) Election of Directors:

Name	Votes For	Votes Withheld	Abstentions and Broker Non-Votes
Jarobin Gilbert Jr.	104,428,374	13,843,919	0
Allan Z. Loren	104,441,060	13,831,233	0
David Y. Schwartz	112,692,654	5,579,639	0
Matthew D. Serra	116,040,823	2,231,470	0

(2) Proposal to ratify the appointment of independent accountants:

Votes For	Votes Against	Abstentions	Broker Non-Votes
117,501,262	136,836	634,195	0

(3) Proposal to approve amendments to the 1998 Stock Option and Award Plan:

Votes For	Votes Against	Abstentions	Broker Non-Votes
105,353,730	12,086,021	832,542	0

(4) Proposal to reapprove the performance goals and to approve the amendment of the Annual Incentive Compensation Plan:

Votes For	Votes Against	Abstentions	Broker Non-Votes
114,505,205	2,985,727	781,361	0

(5) Proposal to approve the Directors Stock Option Plan:

Votes For	Votes Against	Abstentions	Broker Non-Votes
102,042,076	15,455,310	774,907	0

At the close of business on the record date of April 24, 2000, there were outstanding 137,578,699 shares of the Registrant's Common Stock, par value $0.01 per share ("Common Stock"). There were represented at the meeting, in person or by proxy, 118,272,293 shares of Common Stock. Such shares represented 85.97 percent of the total number of shares of such class of stock outstanding on the record date.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

An index of the exhibits that are required by this item, and which are furnished in accordance with Item 601 of Regulation S-K, appears on pages 18 through 20. The exhibits which are in this report immediately follow the index.

(b) Reports on Form 8-K

The Registrant filed a report on Form 8-K dated May 18, 2000 (date of earliest event reported) reporting sales and earnings for the first quarter ended April 29, 2000.

SIGNATURE

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

VENATOR GROUP, INC.

(Registrant)

Date: September 7, 2000

/s/ Bruce Hartman

BRUCE HARTMAN
Senior Vice President
and Chief Financial Officer

VENATOR GROUP, INC.
INDEX OF EXHIBITS REQUIRED BY ITEM 6(a) OF FORM 10-Q
AND FURNISHED IN ACCORDANCE WITH ITEM 601 OF REGULATION S-K

Exhibit No. in Item 601 of Regulation S-K	Description
1	*
2	*
3(i)(a)	Certificate of Incorporation of the Registrant, as filed by the Department of State of the State of New York on April 7, 1989 (incorporated herein by reference to Exhibit 3(i)(a) to the Quarterly Report on Form 10-Q for the quarterly period ended July 26, 1997, filed by the Registrant with the SEC on September 4, 1997 (the "July 26, 1997 Form 10-Q")).
3(i)(b)	Certificates of Amendment of the Certificate of Incorporation of the Registrant, as filed by the Department of State of the State of New York on (a) July 20, 1989 (b) July 24, 1990 (c) July 9, 1997 (incorporated herein by reference to Exhibit 3(i)(b) to the July 26, 1997 Form 10-Q) and (d) June 11, 1998 (incorporated herein by reference to Exhibit 4.2(a) of the Registration Statement on Form S-8 (Registration No. 333-62425) previously filed with the SEC).
3(ii)	By-laws of the Registrant, as amended (incorporated herein by reference to Exhibit 4.2 of the Registration Statement on Form S-8 (Registration No. 333-62425) previously filed with the SEC).
4.1	The rights of holders of the Registrant's equity securities are defined in the Registrant's Certificate of Incorporation, as amended (incorporated herein by reference to Exhibits 3(i)(a) and 3(i)(b) to the July 26, 1997 Form 10-Q and Exhibit 4.2(a) to the Registration Statement on Form S-8 (Registration No. 333-62425) previously filed with the SEC).
4.2	Rights Agreement dated as of March 11, 1998 ("Rights Agreement"), between Venator Group, Inc. and First Chicago Trust Company of New York, as Rights Agent (incorporated herein by reference to Exhibit 4 to the Form 8-K dated March 11, 1998).
4.2(a)	Amendment No. 1 to the Rights Agreement, dated as of May 28, 1999 (incorporated herein by reference to Exhibit 4.2(a) to the Quarterly Report on Form 10-Q for the quarterly period ended May 1, 1999, filed by the Registrant with the SEC on June 4, 1999).

Exhibit No. in Item 601 of Regulation S-K	Description
4.3	Indenture dated as of October 10, 1991 (incorporated herein by reference to Exhibit 4.1 to the Registration Statement on Form S-3 (Registration No. 33-43334) previously filed with the SEC).
4.4	Forms of Medium-Term Notes (Fixed Rate and Floating Rate) (incorporated herein by reference to Exhibits 4.4 and 4.5 to the Registration Statement on Form S-3 (Registration No. 33-43334) previously filed with the SEC).
4.5	Form of 8 % Debentures due 2022 (incorporated herein by reference to Exhibit 4 to the Registrant's Form 8-K dated January 16, 1992).
4.6	Purchase Agreement dated June 1, 1995 and Form of 7% Notes due 2000 (incorporated herein by reference to Exhibits 1 and 4, respectively, to the Registrant's Form 8-K dated June 7, 1995).
4.7	Distribution Agreement dated July 13, 1995 and Forms of Fixed Rate and Floating Rate Notes (incorporated herein by reference to Exhibits 1, 4.1 and 4.2, respectively, to the Registrant's Form 8-K dated July 13, 1995).
5	*
8	*
9	*
10.1	Venator Group Directors Stock Option Plan.
10.2	Amendment to Venator Group 1998 Stock Option and Award Plan.
10.3	Annual Incentive Compensation Plan, as Amended.
11	*
12	Computation of Ratio of Earnings to Fixed Charges.
13	*
15	Letter re: Unaudited Interim Financial Statements.

Exhibit No. in Item 601 of Regulation S-K	Description
16	*
17	*
18	*
19	*
20	*
21	*
22	*
23	*
24	*
25	*
26	*
27.1	Financial Data Schedule - July 29, 2000 (which is submitted electronically to the SEC for information only and not filed).
27.2	Restated Financial Data Schedule - July 31, 1999 (which is submitted electronically to the SEC for information only and not filed).
99	Independent Accountants' Review Report.

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* Not applicable

Exhibits filed with this Form 10-Q:

Exhibit No.	Description
10.1	Venator Group Directors Stock Option Plan.
10.2	Amendment to Venator Group 1998 Stock Option and Award Plan.
10.3	Annual Incentive Compensation Plan, as Amended.
12	Computation of Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Statements.
27.1	Financial Data Schedule - July 29, 2000.
27.2	Restated Financial Data Schedule - July 31, 1999.
99	Independent Accountants' Review Report.

EXHIBIT 10.1

VENATOR GROUP DIRECTORS STOCK OPTION PLAN

1. PURPOSE

The purpose of the Venator Group Directors Stock Option Plan (the "Plan") is to promote the interests of Venator Group, Inc. (the "Company") and its shareholders by increasing the proprietary interest of non-employee directors in the growth and performance of the Company by granting such directors options to purchase shares of common stock.

2. ADMINISTRATION

The Plan shall be administered by the Company's Board of Directors (the "Board"). Subject to the provisions of the Plan, the Board shall be authorized to interpret the Plan, to establish, amend, and rescind any rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan; provided, however, that the Board shall have no discretion with respect to the selection of directors to receive options, the number of shares subject to any such options, the purchase price thereunder or the timing of grants of options under the Plan. The determinations of the Board in the administration of the Plan, as described herein, shall be final and conclusive. The Secretary of the Company shall be authorized to implement the Plan in accordance with its terms and to take such actions of a ministerial nature as shall be necessary to effectuate the intent and purpose thereof. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of New York.

3. ELIGIBILITY

The class of individuals eligible to receive grants of options shall be directors of the Company who are not employees of the Company or its affiliates ("Eligible Directors"). Any holder of an option hereunder shall hereinafter be referred to as a "Participant."

4. SHARES SUBJECT TO THE PLAN

Subject to adjustment as provided in Section 6, an aggregate of 100,000 shares of the Company's Common Stock, $.01 per share ("Shares"), shall be available for issuance under the Plan. The Shares deliverable upon the exercise of options may be made available from authorized but unissued Shares or treasury Shares. If any option granted under the Plan shall be terminated for any reason without having been exercised, the Shares subject to, but not delivered under, such option shall be available for issuance under the Plan.

5. GRANT, TERMS AND CONDITIONS OF OPTIONS

(a) Subject to shareholder approval of the Plan, each Eligible Director on the date of such approval will be granted on such date an option to purchase that number of shares having a market value of $50,000 on the date of grant. Such market value shall be determined by dividing 50,000 by the Fair Market Value of a Share on the date of grant. "Fair Market Value" shall mean the average of the high and low prices of a Share as reported for such date on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if the Shares were not traded on the New

York Stock Exchange on such date, the "Fair Market Value" of a Share as of such date shall be the average of the high and low prices of a Share as reported on said Composite Tape on the next preceding date on which such trades were reported on said Composite Tape.

(b) Each Eligible Director on the first business day of a fiscal year of the Company beginning thereafter, will be granted on such a day an option to purchase that number of shares having a market value of $50,000 on the date of grant. Such market value shall be determined by dividing 50,000 by the Fair Market Value on the date of grant.

(c) The options granted will be nonstatutory stock options not intended to qualify under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") and shall have the following terms and conditions:

(i) Price. The purchase price per Share deliverable upon the exercise of each option shall be 100 percent of the Fair Market Value per Share on the date the option is granted.

(ii) Payment. Options may be exercised only upon the cash payment of the purchase price thereof in full.

(iii) Exercisability and Term of Options. Options shall become exercisable in three equal annual installments commencing on the first anniversary of the date of grant, provided the holder of such Option is an Eligible Director on such anniversary, and shall be exercisable until the earlier of ten years from the date of grant or the expiration of the one-year period from the date upon which the Participant ceases to be a Director, provided that in no event shall the options be exercisable beyond the period provided for in paragraph (iv) below.

(iv) Termination of Service as Eligible Director. Upon termination of a Participant's service as a director of the Company for any reason, all outstanding options held by such Eligible Director, to the extent then exercisable, shall be exercisable in whole or in part for a period of one year from the date upon which the Participant ceases to be a Director, provided that in no event shall the options be exercisable beyond the period provided for in paragraph (iii) above.

(v) Nontransferability of Options. No option may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or the laws of descent and distribution, and during the lifetime of the Participant to whom an option is granted, it may be exercised only by the Participant or by the Participant's guardian or legal representative.

(vi) Option Agreement. Each option granted hereunder shall be evidenced by an agreement with the Company which shall contain the terms and provisions set forth herein and shall otherwise be consistent with the provisions of the Plan.

6. ADJUSTMENT OF AND CHANGES IN SHARES

In the event of a stock split, stock dividend, extraordinary cash dividend, subdivision or combination of the Shares or other change in corporate structure affecting the Shares, the number of Shares authorized by the Plan shall be increased or decreased proportionately, as the case may be, and the number of Shares subject to any outstanding option shall be increased or decreased proportionately, as the case may be, with appropriate corresponding adjustment in the purchase price per Share thereunder.

7. NO RIGHTS OF SHAREHOLDERS

Neither a Participant nor a Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company in respect of any Shares that may be purchased under any option, in whole or in part, unless and until certificates for such Shares shall have been issued.

8. PLAN AMENDMENTS

The Plan may be amended by the Board as it shall deem advisable or to conform to any change in any law or regulation applicable thereto; provided, that the Board may not, without the authorization and approval of shareholders of the Company:

- increase the number of Shares which may be purchased pursuant to options hereunder, either individually or in the aggregate, except as permitted by Section 6,

- change the requirement of Section 5(b) that option grants be priced at Fair Market Value, except as permitted by Section 6,

- modify in any respect the class of individuals who constitute Eligible Directors or

- materially increase the benefits accruing the Participants hereunder.

9. LISTING AND REGISTRATION

Each Share shall be subject to the requirement that if at any time the Board shall determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Shares, no such Shares may be disposed of unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Board.

10. EFFECTIVE DATE AND DURATION OF PLAN

The Plan shall become effective on the date the Company's shareholders approve the Plan. The Plan shall terminate on the day following the 2010 annual shareholders meeting unless the Plan is extended or terminated at an earlier date or is terminated by exhaustion of the Shares available for issuance hereunder.

EXHIBIT 10.2

AMENDMENT TO THE VENATOR GROUP 1998 STOCK OPTION AND AWARD PLAN

1. The first sentence of Section 5(a) is hereby amended to read as follows:

(a) The maximum number of shares of Stock reserved for issuance pursuant to the Plan or with respect to which Awards may be granted shall be twelve million (12,000,000) shares, subject to adjustment as provided herein, except that the number of such shares reserved for issuance as Restricted Stock and Other Stock-Based Awards shall be three million (3,000,000) shares.

2. Section 5(c) is deleted in its entirety.

3. Sections 5(d), 5(e), 5(f), and 5(g) are amended by designating them as Sections 5(c), 5(d), 5(e) and 5(f), respectively.

EXHIBIT 10.3

AS AMENDED THROUGH JANUARY 30, 2000

VENATOR GROUP
ANNUAL INCENTIVE COMPENSATION PLAN
(SHORT-TERM PLAN)

Effective as of February 1, 1983, the Board of Directors of Venator Group Specialty, Inc. adopted an Annual Incentive Compensation Plan (the "Prior Plan")for certain employees of Venator Group Specialty, Inc. Effective as of August 7, 1989, Venator Group, Inc. ("Venator Group") adopted the Prior Plan, as amended. For "Covered Employees" (as defined below), the Prior Plan was amended and restated effective as of January 1, 1994 (the "1994 Plan") and was approved by the shareholders at the 1994 annual meeting. For all other employees, the 1994 Plan was amended and restated effective January 1, 1994. For Covered Employees, the 1994 Plan was further amended and restated as of January 28, 1996 (the "1996 Plan"), and was approved by the shareholders at the 1996 annual meeting. For all other employees, the 1996 Plan was further amended and restated as of January 28, 1996. The Board of Directors further amended the 1996 Plan effective January 30, 2000 (the "Plan"), subject to shareholder approval at the 2000 annual meeting.

The purposes of the Plan are:

(a) to reinforce corporate organizational and business development goals.

(b) to promote the achievement of year-to-year and long-range financial and other business objectives such as high quality of service and product, improved productivity and efficiencies for the benefit of our customers' satisfaction and to assure a reasonable return to Venator Group's shareholders.

(c) to reward the performance of officers and key employees in fulfilling their personal responsibilities for annual achievements.

(d) to serve as a qualified performance-based compensation program under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") or any successor section and the Treasury regulations promulgated thereunder ("Section 162(m) of the Code").

1. DEFINITIONS.

The following terms, as used herein, shall have the following meanings:

(a) "Annual Base Salary" with respect to any Plan Year shall mean the total amount paid by Venator Group and its subsidiaries to a participant during such Plan Year without reduction for any amounts withheld pursuant to participation in a qualified "cafeteria plan" under Section 125 of the Code or in a cash or deferred arrangement under Section 401(k) of the Code. Annual Base Salary shall not include any amount paid or accruing to a participant under the Venator Group Long-Term Incentive Compensation Plan or any other incentive compensation or bonus payment or extraordinary remuneration, expense allowances, imputed income or any other amounts deemed to be indirect compensation, severance pay and any contributions made by Venator Group to this or any other plan maintained by Venator Group or any other amounts which, in the opinion of the Committee, are not considered to be Annual Base Salary for purposes of the Plan.

(b) "Board shall mean the Board of Directors of Venator Group.

(c) "Committee" shall mean two or more members of the Compensation Committee of the Board, each of whom is an "outside director" within the meaning of Section 162(m) of the Code.

(d) "Covered Employee" shall mean an officer or key employee of Venator Group who is designated as an executive officer for purposes of Rule 3b-7 of the Securities Exchange Act of 1934 for the relevant Plan Year.

(e) "Individual Target Award" shall mean the targeted performance award for a Plan Year specified by the Committee as provided in Section 5 herein.

(f) "Plan Year" shall mean Venator Group's fiscal year during which the Plan is in effect.

2. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by the Committee. No member of the Committee while serving as such shall be eligible for participation in the Plan. The Committee shall have exclusive and final authority in all determinations and decisions affecting the Plan and its participants. The Committee shall also have the sole authority to interpret the Plan, to establish and revise rules and regulations relating to the Plan, to delegate such responsibilities or duties as it deems desirable, and to make any other determination that it believes necessary or advisable for the administration of the Plan including, but not limited to: (i) approving the designation of eligible participants; (ii) setting the performance criteria within the Plan guidelines; and (iii) certifying attainment of performance goals and other material terms. The Committee shall have the authority in its sole discretion, subject to and not inconsistent with the express provisions of the Plan, to incorporate provisions in the performance goals allowing for adjustments in recognition of unusual or non-recurring events affecting Venator Group or the financial statements of Venator Group, or in response to changes in applicable laws, regulations, or accounting principles; provided that the Committee shall have such authority with regard to the performance goals of Covered Employees solely to the extent permitted by Section 162(m) of the Code. To the extent any provision of the Plan creates impermissible discretion under Section 162(m) of the Code or would otherwise violate Section 162(m) of the Code with regard to the performance goals of Covered Employees, such provision shall have no force or effect.

EXHIBIT 10.3

3. PARTICIPATION.

Participation in the Plan is limited to officers or key employees of Venator Group. Individual participants shall be those employees selected in the sole discretion of the Committee (in the case of Covered Employees) or its designee (in the case of all other officers and key employees). In determining the persons to whom awards shall be granted, the Committee shall take into account such factors as the Committee shall deem appropriate in connection with accomplishing the purposes of the Plan. The Committee may from time to time designate additional participants who satisfy the criteria for participation as set forth herein and shall determine when an officer or key employee of Venator Group ceases to be a participant in the Plan.

4. RIGHT TO PAYMENT.

Unless otherwise determined by the Committee in its sole discretion, a participant shall have no right to receive payment under this Plan unless the participant remains in the employ of Venator Group at all times during the applicable Plan Year, provided, however, that the Committee may, in its sole discretion, make an "Interim Payment" to any participant (other than a Covered Employee). Such Interim Payment shall be equal to the amount of the payment the participant would have received, pursuant to Sections 5 and 6 hereof, at the completion of the Plan Year during which such Interim Payment is made (the "Interim Year") and shall be the sum of: (a) the actual performance results achieved relative to the Plan's performance goals with respect to the period from the commencement of the Interim Year to the date of the Interim Payment, and (b) the performance results that would have been achieved had the Plan's budget goal been met for the balance of such Interim Year, multiplied by a fraction, the numerator of which is the number of completed months between the commencement of the Interim Year and the date of the Interim Payment and the denominator of which is 12. Following the close of the Interim Year, the Committee shall make a "Final Payment" to each participant who received an Interim Payment in an amount equal to the difference, if any, between the amount of the Interim Payment and the amount of the payment that would have been made pursuant to Sections 5 and 6 hereof, absent such Interim Payment.

5. PAYMENT.

(a) Payment under this Plan to a participant will be made in cash in an amount equal to the achieved percentage of such participant's Annual Base Salary as determined by the Committee for each Plan Year. Such percentage shall be based on the participant's achievement of his or her Individual Target Award. Except to the extent provided for in Section 4 hereof with respect to Interim Payments, payment shall be made only if and to the extent the performance goals with respect to the Plan Year are attained.

(b) At the beginning of each Plan Year (or, with respect to Covered Employees, within the time period prescribed by Section 162(m) of the Code), the Committee shall establish all performance goals and the Individual Target Awards for such Plan Year and Venator Group shall inform each participant of the Committee's determination with respect to such participant for such Plan Year. Individual Target Awards shall be expressed as a percentage of such participant's Annual Base Salary. At the time the performance goals are established, the Committee shall prescribe a formula to determine the percentages of the Individual Target Award which may be payable based upon the degree of attainment of the performance goals during the Plan Year.

(c) Notwithstanding anything to the contrary contained in this Plan, (1) the performance goals in respect of awards granted to participants who are Covered Employees, shall be based on one or more of the following criteria: (i) the attainment of certain target levels of, or percentage increase in, pre-tax profit; (ii) the attainment of certain target levels of, or a percentage increase in, after-tax profits of Venator Group (or a subsidiary, division, or other operational unit of Venator Group); (iii) the attainment of certain target levels of, or a specified increase in, operational cash flow of Venator Group (or a subsidiary, division, or other operational unit of Venator Group); (iv) the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of, Venator Group's bank debt or other long-term or short-term public or private debt or other similar financial obligations of Venator Group, if any, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee; (v) the attainment of a specified percentage increase in earnings per share or earnings per share from continuing operations of Venator Group (or a subsidiary, division or other operational unit of Venator Group); (vi) the attainment of certain target levels of, or a specified percentage increase in, revenues, net income, or earnings before (A) interest, (B) taxes, (C) depreciation and/or (D) amortization, of Venator Group (or a subsidiary, division, or other operational unit of Venator Group); (vii) the attainment of certain target levels of, or a specified increase in, return on invested capital or return on investment; (viii) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax return on shareholders' equity of Venator Group (or any subsidiary, division or other operational unit of Venator Group); and (ix) the attainment of a certain target level of, or reduction in, selling, general and administrative expense as a percentage of revenue of Venator Group (or any subsidiary, division or other operational unit of Venator Group) and (2) in no event shall payment in respect of an award granted for a performance period be made to a participant who is a Covered Employee as of the end of such Plan Year in an amount which exceeds $1.5 million. Subject to Section 2 of the Plan regarding certain adjustments, in connection with the establishment of the performance goals, the criteria listed above for Venator Group (or any subsidiary, division or other operational unit of Venator Group) shall be determined in accordance with generally accepted accounting principles consistently applied by Venator Group, but before consideration of payments to be made pursuant to this Plan and pursuant to the Venator Group Long-Term Incentive Compensation Plan.

6. TIME OF PAYMENT.

Subject to Section 4 hereof, all payments earned by participants under this Plan will be paid within a reasonable period after performance goal achievements for the Plan Year have been finalized, reviewed, approved, and to the extent required by Section 162(m) of the Code, certified by the Committee, except as may otherwise be agreed by a participant and Venator Group in a written agreement executed prior to the beginning of the fiscal year to which it relates in accordance with any deferred compensation program (a "Deferred Compensation Program") applicable to such participant. Venator Group's independent accountants shall examine as of the close of the Plan Year and communicate the results of such examination to the Committee as to the appropriateness of the proposed payments under the Plan. Any award deferred by a Covered Employee shall not increase (between the date on which the award is credited to any Deferred Compensation Program applicable to such Covered Employee and the payment date) by a measuring factor for each fiscal year greater than either (x) one hundred and twenty percent (120%) of the applicable federal long-term rate, compounded annually, and as set as of the first day of the calendar year; or (y) a hypothetical investment in such shares of Venator Group Common Stock, par value $0.01 per share (as determined under such Deferred Compensation Program), as irrevocably elected by the Covered Employee in the deferral agreement. The participant shall have no right to receive payment of any deferred amount until he or she has a right to receive such amounts under the terms of the applicable Deferred Compensation Program.

7. MISCELLANEOUS PROVISIONS.

(a) A participant's rights and interests under the Plan may not be sold, assigned, transferred, pledged or alienated.

(b) In the case of a participant's death, payment, if any, under the Plan shall be made to his or her designated beneficiary, or in the event no beneficiary is designated or surviving, to the participant's estate.

(c) Neither this Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of Venator Group.

(d) Venator Group shall have the right to make such provisions as it deems necessary or appropriate to satisfy any obligations it may have to withhold federal, state or local income or other taxes incurred by reason of payments made pursuant to the Plan.

(e) The Plan is designed and intended to comply with Section 162(m) of the Code with regard to awards made to Covered Employees, and all provisions hereof shall be limited, construed and interpreted in a manner so to comply.

(f) The Board or the Committee may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part; provided, that, no amendment which requires shareholder approval in order for the Plan to continue to comply with the exception for performance based compensation under Section 162(m) of the Code shall be effective unless the same shall be approved by the requisite vote of the shareholders of Venator Group as determined under Section 162(m) of the Code. Notwithstanding the foregoing, no amendment shall affect adversely any of the rights of any participant, without such participant's consent, under the award theretofore granted under the Plan.

EXHIBIT 12

VENATOR GROUP, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Unaudited)

	Twenty-six weeks ended		Fiscal Years Ended				
	July 29, 2000	July 31, 1999*	Jan. 29, 2000	Jan. 30, 1999	Jan. 31, 1998	Jan. 25, 1997	Jan. 27, 1996
NET EARNINGS							
Income (loss) from continuing operations, after-tax....................$	24	(51)	17	3	213	209	29
Income tax expense (benefit)...............	16	(33)	11	(42)	120	139	34
Interest expense, excluding capitalized interest.................................	21	33	65	57	41	53	91
Portion of rents deemed representative of the interest factor (1/3)..............	96	90	190	180	163	162	157
$	157	39	283	198	537	563	311
FIXED CHARGES							
Gross interest expense.....................$	22	34	67	64	41	53	91
Portion of rents deemed representative of the interest factor (1/3)..............	96	90	190	180	163	162	157
$	118	124	257	244	204	215	248
RATIO OF EARNINGS TO FIXED CHARGES...................................	1.3	0.3	1.1	0.8	2.6	2.6	1.3

Earnings were not adequate to cover fixed charges by $85 million for the twenty-six weeks ended July 31, 1999 and by $46 million for the fiscal year ended January 30, 1999.

* 1999 interim information has been restated to reflect the change in method for calculating the market-related value of pension plan assets.

EXHIBIT 15

Accountants' Acknowledgment

Venator Group, Inc.
New York, New York

Board of Directors:

Re: Registration Statements Numbers 33-10783, 33-91888, 33-91886, 33-97832, 333-07215, 333-21131, 333-62425, 333-33120, 333-41056 and 333-41058 on Form S-8 and Numbers 33-43334 and 33-86300 on Form S-3

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated August 17, 2000 related to our review of interim financial information.

Pursuant to Rule 436(c) under the Securities Act of 1933, such report is not considered a part of a registration statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP
New York, New York
September 7, 2000

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE SIX MONTHS ENDED JULY 29, 2000 AND
THE CONSOLIDATED BALANCE SHEET AS OF JULY 29, 2000 AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000,000

6-MOS
FEB-03-2001
JAN-30-2000
JUL-29-2000
25
0
0
0
841
1,046
764
0
2,421
688
310
0
0
0
1,156
2,421
2,149
2,149
1,530
1,530
81
0
15
40
16
24
0
0
0
24
0.18
0.18

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE SIX MONTHS ENDED JULY 31, 1999 AND
THE CONSOLIDATED BALANCE SHEET AS OF JULY 31, 1999 AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000,000

6-MOS
JAN-29-2000
JAN-31-1999
JUL-31-1999
78
0
0
0
812
1,223
941
0
2,773
1,118
313
0
0
0
1,009
2,773
2,142
2,142
1,582
1,582
91
0
28
(84)
(33)
(51)
10
0
8
(33)
(0.24)
(0.24)

EXHIBIT 99

Independent Accountants' Review Report

The Board of Directors and Shareholders
Venator Group, Inc.:

We have reviewed the accompanying condensed consolidated balance sheets of Venator Group, Inc. and subsidiaries as of July 29, 2000 and July 31, 1999, and the related condensed consolidated statements of operations and comprehensive income (loss) for the thirteen and twenty-six week periods ended July 29, 2000 and July 31, 1999 and cash flows for the twenty-six week periods ended July 29, 2000 and July 31, 1999. These condensed consolidated financial statements are the responsibility of Venator Group, Inc. management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Venator Group, Inc. and subsidiaries as of January 29, 2000, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 8, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 29, 2000, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP
New York, New York
August 17, 2000