SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended October 30, 1999

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.)

233 Broadway, New York, New York	10279-0003
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (212) 553-2000

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 December 1, 1999: 137,502,104

VENATOR GROUP, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

	Oct. 30, 1999 (Unaudited)	Oct. 31, 1998 (Unaudited)	Jan. 30, 1999 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	$ 63	$ 147	$ 193
Merchandise inventories	863	1,112	837
Net assets of discontinued operations	85	220	97
Assets held for disposal	179	--	--
Other current assets	174	136	148
	1,364	1,615	1,275
Property and equipment, net	882	916	974
Deferred taxes	354	332	358
Intangible assets, net	164	188	183
Other assets	87	94	86
	$ 2,851	$ 3,145	$ 2,876
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term debt	$ 300	$ 371	$ 250
Accounts payable	354	386	245
Accrued liabilities	237	266	296
Current portion of reserve for discontinued operations	87	217	167
Current portion of long-term debt and obligations under capital leases	208	20	6
	1,186	1,260	964
Long-term debt and obligations under capital leases	313	508	511
Other liabilities	341	375	363
Shareholders' equity			
Common stock and paid-in capital	335	327	328
Retained earnings	862	860	897
Accumulated other comprehensive loss	(186)	(185)	(187)
Total shareholders' equity	1,011	1,002	1,038
	$ 2,851	$ 3,145	$ 2,876

See Accompanying Notes to Condensed Consolidated Financial Statements.

VENATOR GROUP, INC.

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

	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Sales	$ 1,178	$ 1,122	$ 3,320	$ 3,223
Costs and expenses				
Cost of sales	848	840	2,430	2,324
Selling, general and administrative expenses	256	302	762	827
Depreciation and amortization	47	38	138	108
Restructuring charge	3	--	55	--
Interest expense, net	17	18	45	35
Other income	(5)	--	(36)	(19)
	1,166	1,198	3,394	3,275
Income (loss) from continuing operations before income taxes	12	(76)	(74)	(52)
Income tax expense (benefit)	5	(36)	(29)	(26)
Income (loss) from continuing operations	7	(40)	(45)	(26)
Income (loss) from discontinued operations, net of income tax expense (benefit) of $6, $7, and $(14) respectively	--	6	10	(26)
Loss on disposal of discontinued operations, net of tax expense of $52	--	(121)	--	(121)
Net income (loss)	$ 7	$ (155)	$ (35)	$ (173)
Basic earnings per share:				
Income (loss) from continuing operations	$ 0.05	$ (0.29)	$ (0.33)	$ (0.19)
Income (loss) from discontinued operations	--	(0.85)	0.07	(1.08)
Net income (loss)	$ 0.05	$ (1.14)	$ (0.26)	$ (1.27)
Weighted-average common shares outstanding	137.4	135.6	137.1	135.4
Diluted earnings per share:				
Income (loss) from continuing operations	$ 0.05	$ (0.29)	$ (0.33)	$ (0.19)
Income (loss) from discontinued operations	--	(0.85)	0.07	(1.08)
Net income (loss)	$ 0.05	$ (1.14)	$ (0.26)	$ (1.27)
Weighted-average common shares assuming dilution	138.4	135.6	137.1	135.4

See Accompanying Notes to Condensed Consolidated Financial Statements.

VENATOR GROUP, INC.

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

	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Net income (loss)...	$ 7	$ (155)	$ (35)	$ (173)
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustment:				
Translation adjustment arising during the period, net of deferred tax expense of $2, $37, $1 and $41, respectively...	3	41	1	41
Less: reclassification adjustment for gains included in net income (loss), net of deferred tax expense of $149...	--	(149)	-	(149)
Net foreign currency translation adjustment.................	3	(108)	1	(108)
Minimum pension liability adjustments, net of deferred tax expense of $2...............................	-	2	-	2
Comprehensive income (loss).................................	$ 10	$ (261)	$ (34)	$ (279)

See Accompanying Notes to Condensed Consolidated Financial Statements.

VENATOR GROUP, INC.

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

	Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998
From Operating Activities:		
Net loss	$ (35)	$ (173)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities of continuing operations:		
Restructuring charge	55	-
(Income) loss from discontinued operations, net of tax	(10)	26
Loss on disposal of discontinued operations, net of tax	-	121
Depreciation and amortization	138	108
Gains on sales of assets and investments	(36)	(19)
Deferred income taxes	(28)	(38)
Change in assets and liabilities, net of acquisition:		
Merchandise inventories	(130)	(356)
Accounts payable and other accruals	45	146
Other, net	(58)	57
Net cash used in operating activities of continuing operations	(59)	(128)
From Investing Activities:		
Proceeds from sales of assets and investments	29	22
Capital expenditures	(122)	(395)
Payments for business acquired, net of cash acquired	-	(29)
Net cash used in investing activities of continuing operations	(93)	(402)
From Financing Activities:		
Increase in short-term debt	50	371
Reduction in long-term debt and capital lease obligations	-	(2)
Issuance of common stock	6	10
Net cash provided by financing activities of continuing operations	56	379
Net Cash provided by (used in) Discontinued Operations	(30)	214
Effect of exchange rate fluctuations on Cash and Cash Equivalents	(4)	3
Net change in Cash and Cash Equivalents	(130)	66
Cash and Cash Equivalents at beginning of year	193	81
Cash and Cash Equivalents at end of interim period	$ 63	$ 147
Cash paid during the period:		
Interest	$ 41	$ 32
Income taxes	$ 19	$ 14

See Accompanying Notes to Condensed Consolidated Financial Statements.

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 30, 1999, as filed with the Securities and Exchange Commission (the "SEC") on April 30, 1999. 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 thirty-nine weeks ended October 30, 1999 are not necessarily indicative of the results expected for the year.

1999 Restructuring

During the second quarter of 1999, the Registrant approved a restructuring 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. Restructuring charges of $64 million pre-tax ($39 million after-tax) were recorded in the second quarter. Major components of the charge included leasehold and real estate disposition costs ($24 million), fixed asset and other asset impairments ($19 million), inventory markdowns ($12 million) and other exit costs ($9 million). The inventory markdowns of $12 million were included in cost of sales while the remaining $52 million restructuring charge was included in operating expenses. In the third quarter of 1999, the Registrant recorded an additional charge in connection with the restructuring of approximately $3 million before-tax ($2 million after-tax) related to fixed assets and real estate disposition costs.

The Registrant entered into an agreement during the second quarter to sell up to 51 of the 87 Weekend Edition stores, and also expects to sell a substantial portion of the other businesses to be exited. The remaining businesses will be liquidated and all dispositions are expected to be complete by the end of the second quarter of 2000. The current portion of the $37 million reserve balance at October 30, 1999 is included in accrued liabilities ($25 million), and the balance in other liabilities ($12 million).

On November 2, 1999, the Registrant announced that it had signed a definitive agreement to sell the assets of its Afterthoughts retail chain for approximately $250 million. On November 8, 1999, the Registrant announced that it had registered with the Australian Securities and Investments Commission a public offering of 100 percent of its holding in Colorado Group, Ltd., its Australian athletic and specialty footwear format for gross proceeds of approximately $75 million.

The inventory, fixed assets and other long-lived assets of all businesses to be exited of $179 million at the lower of cost or net realizable value have been reclassified as assets held for disposal in the Condensed Consolidated Balance Sheet as of October 30, 1999.

Sales and net loss for all businesses held for disposal for the thirteen and thirty-nine weeks ended October 30, 1999 and October 31, 1998, respectively are presented below.

(in millions)	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Sales	$ 110	$ 94	$ 320	$ 269
Net loss	$ (3)	$ (1)	$ (13)	$ (11)

Segment Information

Sales and operating results for the Registrant's reportable segments for the thirteen and thirty-nine weeks ended October 30, 1999 and October 31, 1998, respectively, are presented below. Operating results reflect income (loss) from continuing operations before income taxes, excluding corporate expense (income) and net interest expense.

Sales:
(in millions)

	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Global Athletic Group	$ 1,001	$ 945	$ 2,825	$ 2,730
Northern Group	97	97	252	256
All Other	80	80	243	237
	$ 1,178	$ 1,122	$ 3,320	$ 3,223

Operating Results:
(in millions)

	Thirteen weeks ended		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Global Athletic Group	$ 35	$ (16)	$ (4)	$ 66
Northern Group	1	(10)	(21)	(26)
All Other	(4)	(4)	(2)	3
Operating profit (loss)	32	(30)	(27)	43
Corporate expense (income)	3	28	2	60
Interest expense, net	17	18	45	35
Income (loss) from continuing operations before income taxes	$ 12	$ (76)	$ (74)	$ (52)

Operating results for the Global Athletic Group for the thirty-nine weeks ended October 30, 1999 include a restructuring charge of $64 million related to the businesses to be exited. Operating results for the All Other category for the thirteen and thirty-nine weeks ended October 30, 1999 include a restructuring charge of $3 million.

Short-Term Debt

Outstanding borrowings under the Registrant's revolving credit agreement amounted to $300 million at October 30, 1999. The facility available at that date of $373 million was reduced to $366 million on November 5, 1999 as a result of the sale of certain assets. If additional assets are sold or debt or equity is issued, the revolving credit agreement may be reduced to $350 million, and will, in any event, be reduced to $300 million by February 15, 2000. Under the terms of the agreement, the Registrant is required to satisfy certain financial and operating covenants, which include: maximum ratio of total debt to earnings before interest, taxes, depreciation and amortization; minimum fixed charge coverage ratio; minimum tangible net worth, and limits on capital expenditures. In addition, the Registrant is required to fund the repayment of the $200 million 7.0 percent debentures, which are due in June 2000, by February 15, 2000. This facility is unsecured relating to the Registrant's inventory; however, it does include collateralization of certain properties as defined in the agreement. The agreement also restricts consolidations or mergers with third parties, investments and acquisitions, payment of dividends and stock repurchases, and requires borrowings under the agreement to be reduced to not more than $50 million for a period of at least 15 consecutive days during the fourth quarter of each year.

Discontinued Operations

In the third quarter of 1998, the Registrant announced that it was exiting its International General Merchandise segment and completed the sale of its 357 store German general merchandise business for $563 million. The Registrant recorded a net gain of $174 million before-tax, or $39 million after-tax. The reserve balance of $41 million at October 30, 1999 represents the costs associated with the disposal of the remaining business of the International General Merchandise segment, which is expected to be completed in the fourth quarter of 1999.

The Registrant also announced in the third quarter of 1998 that it was exiting its Specialty Footwear segment and recorded a net charge to earnings of $234 million before-tax, or $155 million after-tax for the loss on disposal of the segment. In the second quarter of 1999, the Registrant recorded a reduction to the reserve of $17 million before-tax, or $10 million after-tax, reflecting favorable results from real estate disposition compared to original estimates. Net disposition activity of approximately $42 million charged to the reserve for the period from January 30, 1999 to October 30, 1999 represented the payments for leasehold and real estate disposition expenses, severance and benefit costs and other related expenses, offset by gains from disposals of real estate. The reserve balance of $62 million at October 30, 1999 primarily reflects leasehold obligations, $37 million of which is expected to be utilized within twelve months and the remaining $25 million thereafter.

In 1997, the Registrant announced that it was exiting its Domestic General Merchandise segment. Net disposition activity for the thirty-nine weeks ended October 30, 1999 was approximately $26 million, which included payments for leasehold and real estate disposition expenses, offset by gains from planned disposals of real estate. The remaining reserve balance of $9 million at October 30, 1999 consists principally of real estate disposition costs.

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

(in millions)	Oct. 30, 1999	Oct. 31, 1998	Jan. 30, 1999
International General Merchandise			
Assets	$ 45	$ 57	$ 47
Liabilities	9	13	11
Net assets of discontinued operations	$ 36	$ 44	$ 36
Specialty Footwear			
Assets	$ 52	$190	$ 63
Liabilities	11	26	17
Net assets of discontinued operations	$ 41	$164	$ 46
Domestic General Merchandise			
Assets	$ 16	$ 46	$ 23
Liabilities	8	34	8
Net assets of discontinued operations	$ 8	$ 12	$ 15
Total net assets of discontinued operations	$ 85	$220	$ 97

The assets of the International General Merchandise and Specialty Footwear segments consist primarily of inventory and fixed assets. The assets of the Domestic General Merchandise segment primarily include fixed assets and deferred tax assets. Liabilities primarily reflect accounts payable and other accrued liabilities.

1991 Restructuring and 1993 Repositioning Reserves

In connection with the 1991 restructuring and 1993 repositioning programs, the Registrant recorded adjustments of $4 million and $10 million, respectively, in selling, general and administrative expenses for the thirteen and thirty-nine weeks ended October 30, 1999. The adjustments primarily reflect sublease and other income relating to owned and leased properties. The remaining reserve balance of $11 million at October 30, 1999 will be required to satisfy future lease obligations and cancellations.

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, restricted stock awards and other convertible securities. A reconciliation of weighted-average common shares outstanding to weighted-average common shares assuming dilution follows:

	Thirteen weeks ended		Thirty-nine weeks ended	
(in millions)	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Weighted-average common shares outstanding....................	137.4	135.6	137.1	135.4
Incremental common shares issuable...........................	1.0	-	-	-
Weighted-average common shares assuming dilution..............	138.4	135.6	137.1	135.4

Incremental common shares were not included in the computation for the year-to-date period ended October 30, 1999 or the quarter and year-to-date periods ended October 31, 1998, since their inclusion in periods when the Registrant reported a loss from continuing operations would be antidilutive. Antidilutive options were not included in the computation of diluted earnings per share and would not have a material impact on diluted earnings per share.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss was comprised of foreign currency translation adjustments of $143 million, $142 million, and $144 million, at October 30, 1999, October 31, 1998, and January 30, 1999, respectively, and minimum pension liability adjustments of $43 million at each balance sheet date presented.

Reclassifications

Certain balances in prior periods have been reclassified to conform with the presentation adopted in the current period. As discussed above, the inventory, fixed assets and other long-lived assets of all businesses to be exited have been reclassified as assets held for disposal in the Condensed Consolidated Balance Sheet as of October 30, 1999.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), which was effective for fiscal quarters of fiscal years beginning after June 15, 1999. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB No. 133, an Amendment of FASB Statement No. 133," which defers the implementation of SFAS No. 133 by one year. The statement will now be effective for the Registrant in 2001. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Registrant is in the process of evaluating SFAS No. 133 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 The San Francisco Music Box Company, Randy River Canada, Foot Locker Outlets, Colorado, Team Edition, Going To The Game, Weekend Edition, Burger King franchises, Afterthoughts and Garden Centers.

RESULTS OF OPERATIONS

Sales of $1,178 million for the third quarter of 1999 increased 5.0 percent from sales of $1,122 million for the third quarter of 1998, reflecting an increase of 4.3 percent in comparable-store sales. Sales for the thirty-nine weeks ended October 30, 1999 increased 3.0 percent to $3,320 million as compared with $3,223 million for the thirty-nine weeks ended October 31, 1998, reflecting an increase of 1.4 percent in comparable-store sales. Excluding the effect of foreign currency fluctuations and sales from businesses disposed and held for disposal, sales increased 4.2 percent and 2.0 percent for the third quarter and year-to-date periods of 1999, respectively, as compared with the corresponding prior-year periods.

Gross margin, as a percentage of sales, increased by approximately 290 basis points to 28.0 percent in the third quarter of 1999 and declined from 27.9 percent to 26.8 percent for the thirty-nine weeks ended October 30, 1999, as compared with the corresponding prior-year periods. The increase in the third quarter reflects reduced markdown activity in 1999 as compared to the 1998 third quarter when the Registrant embarked on an aggressive inventory reduction program, offset by increased occupancy costs. The decline for the thirty-nine weeks principally reflects increased occupancy costs of the Global Athletic Group and inventory markdowns of $12 million in the second quarter of 1999 associated with the Registrant's restructuring plan to exit non-core businesses. Excluding the inventory markdowns of $12 million, gross margin declined by approximately 70 basis points on a year-to-date basis.

Selling, general and administrative expenses ("SG&A") of $256 million improved by approximately 520 basis points to 21.7 percent of sales in the third quarter of 1999 as compared with the corresponding prior-year period. SG&A of $762 million for the thirty-nine weeks ended October 30, 1999, improved by approximately 270 basis points to 23.0 percent of sales. These improvements reflect the Registrant's successful cost cutting initiatives at both the corporate and divisional levels. The Registrant expects to reduce its full-year 1999 corporate and divisional operating expenses by $100 million, compared to 1998. The Registrant expects to further cut corporate expenses to one percent of sales by 2001.

In connection with its 1999 restructuring plan to exit non-core businesses, the Registrant recorded restructuring charges of $64 million pre-tax ($39 million after-tax) in the second quarter and an additional charge of $3 million pre-tax ($2 million after-tax) in the third quarter. Inventory markdowns of $12 million were included in cost of sales while the remaining $52 million restructuring charge was included in operating expenses.

Depreciation and amortization of $47 million and $138 million for the thirteen and thirty-nine weeks ended October 30, 1999 increased by 23.7 percent and 27.8 percent, respectively, as compared with the corresponding prior-year periods. The increase reflects depreciation and amortization of assets included in the 1998 capital expenditure program, which concentrated on new store openings and remodeling of existing facilities, and also included management information systems.

Interest expense, net of interest income, increased $10 million for the thirty-nine weeks ended October 30, 1999, as compared with the corresponding prior-year period. The increase reflects $7 million incremental interest expense attributable to higher interest rates and fees, and increased levels of average short-term borrowing during the first half of 1999. Interest expense, net of interest income, of $17 million for the third quarter of 1999 declined from the corresponding period a year earlier as a result of higher short-term borrowings in the third quarter of 1998. Interest income of $6 million for the thirty-nine weeks ended October 30, 1999 primarily related to income tax refunds in the first quarter of 1999, whereas the corresponding prior-year period included interest income of $9 million, $7 million of which related to a franchise tax settlement in the second quarter of 1998.

Corporate income, included in other income, of $36 million for the thirty-nine weeks ended October 30, 1999, reflects real estate gains of $28 million related to the sale of eleven properties, and the recognition of $8 million of the deferred gain recorded on the 1998 sale of the corporate headquarters. This compares with other income of $19 million recorded in the comparable period last year relating to the sale of the Registrant's Garden Centers nursery business.

The Registrant reported net income for the 1999 third quarter of $7 million or $0.05 per diluted share. Excluding net income for businesses disposed and held for disposal and related restructuring charges, net income was $12 million, or $0.09 per diluted share for the quarter. For the 1999 year-to-date period, the Registrant reported a net loss of $35 million or $0.26 per diluted share, which includes income from discontinued operations of $10 million after-tax, or $0.07 per diluted share, reflecting favorable results from Specialty Footwear real estate dispositions compared to original estimates. Excluding income from discontinued operations and net income for businesses disposed and held for disposal and related restructuring charges, net income was $9 million, or $0.07 per diluted share for the 1999 year-to-date period. The Registrant reported a net loss for the thirteen and thirty-nine weeks ended October 31, 1998 of $155 million and $173 million, respectively, or $1.14 and $1.27 per diluted share, which includes a $115 million and $147 million loss from discontinued operations, respectively.

STORE COUNT

The following table summarizes store count by segment, after reclassification for businesses disposed and held for disposal. During the thirty-nine weeks ended October 30, 1999, the Registrant remodeled or relocated 238 stores, 51 of which related to the businesses held for disposal.

	Jan. 30, 1999	Opened	Closed	Oct. 30, 1999	Oct. 31, 1998
Global Athletic Group	3,835	97	224	3,708	3,776
Northern Group	940	16	24	932	914
Disposed and held for disposal	1,227	111	75	1,263	1,274
Total	6,002	224	323	5,903	5,964

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		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct.31, 1998	Oct. 30, 1999	Oct. 31, 1998
Global Athletic Group	$ 971	$ 931	$2,748	$2,694
Northern Group	97	97	252	256
Disposed and held for disposal	110	94	320	273
Total sales	$1,178	$1,122	$3,320	$3,223

Global Athletic Group sales increased by 4.3 percent and by 2.0 percent for the 1999 third quarter and year-to-date periods, as compared with the corresponding prior-year periods, reflecting comparable-store sales increases of 5.5 percent and 1.6 percent, respectively. These increases were primarily attributable to improved sales performance at remodeled and relocated stores, coupled with stronger sales performance of high-end athletic footwear, primarily running and basketball.

Excluding the impact of foreign currency fluctuations, Northern Group sales declined by 1.7 percent for the thirty-nine weeks ended October 30, 1999 and were essentially flat for the quarter. Comparable-store sales declined by 3.9 percent and by 5.4 percent for the third quarter and year-to-date periods, respectively, reflecting an improvement over trends in the first half of 1999.

OPERATING RESULTS

Operating results reflect income (loss) from continuing operations before income taxes, excluding corporate expense (income) 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		Thirty-nine weeks ended	
	Oct. 30, 1999	Oct. 31, 1998	Oct. 30, 1999	Oct. 31, 1998
Global Athletic Group..........................	$ 40	$ (15)	$ 83	$ 72
Northern Group.................................	1	(10)	(21)	(26)
Disposed and held for disposal................	(9)	(5)	(89)	(3)
Total operating profit (loss)..............	$ 32	$ (30)	$ (27)	$ 43

The Global Athletic Group reported an operating profit of $40 million for the third quarter of 1999, a significant improvement over the operating loss reported in the corresponding prior-year period. Operating profit for the thirty-nine weeks ended October 30, 1999 increased by 15.3 percent as compared with the corresponding prior-year period. These increases reflect improved sales performance and reduced markdown activity in both the domestic and international Foot Locker formats, offset, in part, by increased occupancy costs and additional depreciation and amortization of remodeled stores.

The Northern Group's operating results improved for both the thirteen and thirty-nine weeks ended October 30, 1999 as compared with the corresponding prior-year periods, primarily as a result of decreased markdown activity in the third quarter of 1999.

Operating results for businesses disposed and held for disposal for the thirteen and thirty-nine weeks ended October 30, 1999 include restructuring charges of $3 million and $67 million, respectively. Operating results for the thirty-nine weeks ended October 31, 1998 include the $19 million gain on the sale of the Garden Centers nursery business.

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 strong fourth quarter sales.

LIQUIDITY AND CAPITAL RESOURCES

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

Operating activities of continuing operations reduced cash by $59 million for the thirty-nine weeks ended October 30, 1999, as compared with a reduction of $128 million in the corresponding prior-year period. These amounts reflect the 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 1998 related to the opening of new larger-size athletic formats, coupled with a 15.5 percent decline in inventories per square foot in 1999. Merchandise inventories, excluding businesses held for disposal, of $863 million at October 30, 1999 declined by $157 million from $1,020 million at October 31, 1998. Management believes inventories are at appropriate levels for the upcoming holiday selling season.

Net cash used in investing activities of continuing operations was $93 million and $402 million for the thirty-nine weeks of 1999 and 1998, respectively. Capital expenditures of $122 million for the thirty-nine weeks ended October 30, 1999 primarily related to store remodelings as compared with $395 million for the corresponding prior-year period. Planned capital expenditures of $175 million for 1999 include expenditures for 350 new and remodeled stores, management information systems, logistics and other support facilities. Proceeds from real estate disposition activities amounted to $29 million in 1999, which reflected the sale of eleven properties. In the first quarter of 1998, cash used for the acquisition of Athletic Fitters of $29 million was partially offset by $22 million cash proceeds received from the sale of the Garden Centers nursery business. On November 2, 1999, the Registrant announced that it had signed a definitive agreement to sell the assets of its Afterthoughts retail chain for approximately $250 million. This transaction closed on December 1, 1999, and a gain of approximately $87 million after-tax will be recorded in the fourth quarter. On November 8, 1999, the Registrant announced that it had registered with the Australian Securities and Investments Commission a public offering of 100 percent of its holding in Colorado Group, Ltd., its Australian athletic and specialty footwear format for gross proceeds of approximately $75 million. This transaction closed on December 6, 1999, and the Registrant received gross proceeds of approximately $75 million in connection with the offering and will record an after-tax gain of approximately $8 million in continuing operations related to the Colorado athletic format in the fourth quarter.

Financing activities for the Registrant's continuing operations contributed $56 million in cash for the thirty-nine weeks ended October 30, 1999 and $379 million in cash for the corresponding prior-year period. Outstanding borrowings under the Registrant's revolving credit agreement were $300 million and $371 million at October 30, 1999 and October 31, 1998, respectively, and have been classified as short-term debt. The facility available at October 30, 1999 of $373 million was reduced to $366 million on November 5, 1999, and was further reduced on November 24, 1999 to $358 million, as a result of the sale of certain assets. As a result of the sale of the Registrant's Afterthoughts division on December 1, 1999, the revolving credit agreement was reduced to $350 million, and will be reduced to $300 million by February 15, 2000. The Registrant incurred incremental interest expense for the thirty-nine weeks of 1999 as compared with 1998, due to higher interest rates and fees, and increased levels of average short-term borrowings during the first half of 1999. Management believes current domestic and international credit facilities and cash provided by operations and the sale of its non-core businesses will be adequate to finance its working capital requirements and support the development of its short-term and long-term strategies. The Registrant expects to fund the repayment of its $200 million 7.0 percent debentures due in June 2000 through asset sales and/or future financing on or before February 15, 2000, as required by its revolving credit agreement.

Net cash of $30 million used in discontinued operations in 1999 primarily reflects real estate disposition expenses charged to the Specialty Footwear and Domestic General Merchandise reserves. Net cash provided by discontinued operations of $214 million in 1998 represents the after-tax net proceeds from the sale of the German general merchandise operations of $360 million, offset by the discontinuance of the Specialty Footwear segment, as well as further utilization of the Domestic General Merchandise reserve.

YEAR 2000 READINESS DISCLOSURE

The Year 2000 ("Y2K") issue is the result of computer programs being written using two digits, rather than four, to define the applicable year. Mistaking "00" for the year 1900 could result in miscalculations and errors and cause significant business interruptions for the Registrant, as well as for the government and most other companies. The Registrant has instituted a plan to assess its state of readiness for Y2K, to remediate those systems that are non-compliant and to assure that material third parties will be Y2K compliant.

State of Readiness

The Registrant has assessed all operating and application systems (including point of sale) for Y2K readiness, giving the highest priority to those information technology applications (IT) systems that are considered critical to its business operations. Those applications considered most critical to the Registrant's business operations have been remediated. The necessary enhancements to the point of sale equipment are complete and all stores have been upgraded with the Y2K remediated release of store systems software. Code changes have been made to the merchandising and logistics legacy systems, and remediation is complete. In July, the Registrant performed a test of its Y2K compliant (and recently upgraded) operating software on an isolated processor, and the Registrant considered the results of the test to be satisfactory. In-house certification testing of all application software using the upgraded operating system infrastructure was completed in the third quarter.

Apart from the Y2K issue, the Registrant has developed and installed throughout its businesses beginning in 1997 an information computer system ("ECLIPSE"), which has been installed in most divisions for the finance and human resources functions. The ECLIPSE project was undertaken for business reasons unrelated to Y2K. However, the installation of ECLIPSE eliminates the need to reprogram or replace certain existing software for Y2K compliance.

The Registrant has compiled a comprehensive inventory of its non-IT systems, which include those systems containing embedded chip technology commonly found in buildings and equipment connected with a building's infrastructure. Management has established the priority of systems identified as non-compliant and any changes required to the non-IT systems have been implemented. Investigations of the embedded chip systems indicate that Y2K will not affect systems such as heating, ventilation and security in most store locations.

Material Third Parties

The Registrant purchased approximately 44 percent of its 1998 merchandise from one major vendor. As a result, the Registrant's ability to operate could be materially affected by the non-compliance of this key supplier. Management has determined through several meetings and interviews that this vendor's Y2K readiness program is substantially complete. Electronic Data Interchange software was successfully tested with this vendor, as well as other key vendors, and joint contingency plans have been developed for distribution and order entry. Management does not expect the state of readiness of other vendors to have a material adverse impact on the Registrant's ability to operate. The level of compliance of the Registrant's major providers of banking services and transportation has been assessed and management believes the related risks to be minimal. The Registrant is subject to general Y2K risk relating to telecommunications and utilities.

Y2K Costs

The Registrant is utilizing both internal and external resources to address the Y2K issue. Internal resources reflect the reallocation of IT personnel to the Y2K project from other IT projects. In the opinion of management, the deferral of such other projects will not have a significant adverse effect on continuing operations. The total direct cost, excluding ECLIPSE, to remediate the Y2K issue is estimated to be approximately $5.2 million, of which $3.0 million was spent in 1998 and a further $1.8 million through the end of the third quarter of 1999. All costs, excluding ECLIPSE, are being expensed as incurred and are funded through operating cash flows. The Registrant's Y2K costs are based on management's best estimates and may be updated, as additional information becomes available. Management does not expect the total Y2K remediation costs to be significant to its results of operations or financial condition.

Contingency Plan/Risks

The Registrant's contingency plans for those areas that might be affected by Y2K are substantially complete. Contingency store operating procedures have been distributed to store managers to be used in the event of foreseeable business interruptions. Joint contingency plans have been developed with the Registrant's key vendor to provide for a smooth flow of inventory from this vendor. Certain IT and other personnel will be available throughout the millennium date change to correct any issues that may arise. Although the full consequences are unknown, the failure of either the Registrant's critical systems or those of its material third party suppliers to be Y2K compliant would result in the interruption of the Registrant's business, which could have a significant adverse effect on its results of operations or financial condition. However, if any business interruptions occur in January 2000, and they are promptly corrected, management expects it would not significantly impact the Registrant's results of operations or financial position. Typically, at that time of year, after the holiday season, there is lower customer demand and borrowing requirements are not at their peak. In addition, successful inventory and working capital management, along with the contingency plans for store operations, will help mitigate the risks associated with the Y2K issue. However, some business disruptions may occur even with defensive contingency plans.

IMPACT OF EUROPEAN MONETARY UNION

The European Union is comprised of 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 will be 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. Modifications required to be made to the point of sale hardware and software will be facilitated by the Y2K remediation.

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 such things as future capital expenditures, expansion, strategic plans, growth of the Registrant's business and operations, Y2K 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, consumer preferences and economic conditions worldwide and the ability of the Registrant to implement, in a timely manner, the programs and actions related to the Y2K and euro issues. 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 or results of operations.

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 17 through 19. 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 August 18, 1999 (date of earliest event reported) reporting sales and earnings for the second quarter ended July 31, 1999.

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: December 14, 1999

/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	Employment Agreement with Roger N. Farah dated as of August 16, 1999
10.2	Employment Agreement with Dale W. Hilpert dated as of August 16, 1999
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 - October 30, 1999 (which is submitted electronically to the SEC for information only and not filed).
99	Independent Accountants' Review Report.

* Not applicable

Exhibits filed with this Form 10-Q:

Exhibit No.	Description
10.1	Employment Agreement with Roger N. Farah dated as of August 16, 1999
10.2	Employment Agreement with Dale W. Hilpert dated as of August 16, 1999
12	Computation of Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Statements.
27.1	Financial Data Schedule - October 30, 1999.
99	Independent Accountants' Review Report.

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of August 16, 1999, by and between Venator Group, Inc., a New York corporation having its principal place of business at 233 Broadway, New York, New York 10279 (the "COMPANY"), and Roger N. Farah (the "EXECUTIVE").

W I T N E S S E T H :

WHEREAS, the Executive has been employed by the Company as its Chairman of the Board and Chief Executive Officer pursuant to the provisions of an employment agreement dated as of April 14, 1999 (the "APRIL AGREEMENT"), and

WHEREAS, effective August 16, 1999, the Company desires the Executive to serve as its Chairman of the Board, and the Executive is willing to serve in such capacity; and

WHEREAS, the Company and the Executive desire to set forth the terms and conditions of such employment; and

WHEREAS, the Executive and the Company desire to terminate the April Agreement as of August 15, 1999, so that, from and after August 16, 1999, the terms and conditions of the employment of the Executive with the Company shall be governed by the provisions of this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the Company and the Executive agree as follows:

1. Employment. (a) The Company hereby agrees to employ the Executive as its Chairman of the Board and the Executive hereby agrees to accept such employment with the Company, on the terms and conditions herein contained.

(b) Executive's employment under this Agreement shall commence on August 16, 1999 and shall continue until the date of the Annual Meeting of Shareholders of the Company in 2001 (the "2001 ANNUAL Meeting"); provided, however, that on or after the date of the Annual Meeting of Shareholders of the Company in 2000 (the "2000 ANNUAL MEETING"), either party may provide 60 days prior written notice to the other of its intention to terminate this agreement and end the Employment Period, as hereinafter defined, and such Employment Period shall end on the sixtieth day following the giving of such notice. (The period during which the Executive is employed pursuant to the provisions of this agreement is hereinafter referred to as the "EMPLOYMENT PERIOD").

2. Duties. (a) The Executive shall serve during the Employment Period as Chairman of the Board of the Company, reporting only to the Board of Directors (the "BOARD"). The Executive agrees that in such office he shall perform such duties and functions as are commensurate with his status as Chairman of the Board of the Company as may from time to time be determined by the Board. During the Employment Period, the Executive shall devote substantially all of his business efforts and time to the Company and he shall not accept other full- or part-time employment. The foregoing, however, shall not preclude the Executive from engaging in such activities and services as do not materially conflict with the Executive's duties and responsibilities to the Company nor, with the prior approval of the Board, which it may grant or deny in its sole discretion, preclude the Executive from serving on the boards of directors of other for-profit corporations, if such service does not conflict with his duties hereunder or his fiduciary duty to the Company. It is further understood and agreed that nothing herein shall prevent the Executive from managing his passive personal investments (subject to applicable Company policies on permissible investments), and (subject to applicable Company policies) participating in charitable and civic endeavors, so long as such activities do not interfere in more than a de minimis manner

with the Executive's performance of his duties hereunder.

(b) Upon request of the Board, the Executive shall also serve as an officer and director of subsidiaries and affiliates of the Company.

3. Compensation and Benefits. As full compensation for his services hereunder, and subject to all the provisions hereof:

(a) During the Employment Period, the Company shall pay the Executive, in accordance with its normal payroll practices and subject to required withholding, a salary calculated at such rate per annum as may be fixed by the Compensation Committee of the Board from time to time, but in no event at a rate less than $250,000 per annum ("BASE SALARY").

(b) The Executive shall continue to participate in the Company's Annual Incentive Compensation Plan (the "ANNUAL PLAN") for the fiscal years of the Company that end on January 29, 2000 and February 3, 2001 in accordance with the terms of such plan. The Executive's bonus under the Annual Plan, at target, for the fiscal years ending January 29, 2000 and February 3, 2001 shall be no less than 100 percent of the base salary paid to Executive in each such fiscal year. Executive shall continue to participate in the Long-Term Incentive Compensation Plan (the "LONG-TERM PLAN") for the performance periods ending January 29, 2000 and February 3, 2001, in accordance with the terms of his current participation and the terms of such plan. Notwithstanding anything herein or in the Annual Plan, the Long-Term Plan or any document or agreement issued under the Annual Plan or the Long-Term Plan to the contrary, Executive shall not participate in the Annual Plan or the Long-Term Plan for any plan year or performance period that ends after February 3, 2001. In the event the Employment Period ends prior to February 3, 2001, the payments under the Annual Plan and the Long-Term Plan provided for herein shall be prorated as of the last day of Executive's employment hereunder.

(c) The portions of the stock option grant made to Executive on February 10, 1999 that vest on February 10, 2000 and February 10, 2001 shall vest, in accordance with the terms of such grant, on February 10, 2000 and February 10, 2001, provided that the Executive continues to be employed by the Company as Chairman of the Board on the applicable vesting dates, and the balance of such grant is hereby cancelled as of the earlier of the date of the 2001 Annual Meeting or the last day of Executive's employment hereunder. The portions of the stock option grant made to Executive on April 14, 1999 that vest on April 14, 2000 and April 14, 2001 shall vest, in accordance with the terms of such grant, on April 14, 2000 and April 14, 2001, provided that the Executive continues to be employed by the Company as Chairman of the Board on the applicable vesting dates, and the balance of such grant is hereby cancelled as of the earlier of the date of the 2001 Annual Meeting or the last day of Executive's employment hereunder. To the extent permitted, or as may by discretion be granted by the Compensation Committee of the Board under the Company's 1986 Stock Option Plan, 1995 Stock Option and Award Plan and 1998 Stock Option and Award Plan, the Executive shall have a period of up to two years following the last day of Executive's employment hereunder to exercise any stock options that are vested as of such day. In no event, however, shall any option remain exercisable beyond its original expiration date. That portion of the grant of restricted stock made to Executive pursuant to the provisions of the Restricted Stock Agreement dated January 9, 1995 that vests on January 31, 2000 shall vest, in accordance with the terms of such agreement, on January 31, 2000, provided that the Executive continues to be employed by the Company as Chairman of the Board on such date. The portions of the grant of restricted stock made to Executive pursuant to the provisions of the Restricted Stock Agreement dated April 26, 1999 that vest on January 31, 2000 and January 31, 2001 shall vest, in accordance with the terms of such agreement, on January 31, 2000 and January 31, 2001, provided that the Executive continues to be employed by the Company as Chairman of the Board on the applicable vesting dates, and the balance of such restricted stock grant is hereby forfeited as of the earlier of the date of the 2001 Annual Meeting or the last day of Executive's employment hereunder.

(d) During the Employment Period, the Executive shall be eligible to participate in all pension, welfare and fringe benefit plans, maintained by the Company from time to time for its senior executive employees in accordance with their respective terms as in effect from time to time (other than any special arrangement entered into by contract with an executive). In addition, during the Employment Period, the Company shall reimburse the Executive for his net premiums on his current term life insurance policy for coverage of three million six hundred thousand dollars ($3,600,000) with Aetna Life Insurance Company.

(e) During the Employment Period, the Executive shall be reimbursed for his out-of-pocket travel and entertainment expenses in accordance with the Company's normal policy for senior executive officers, including appropriate documentation.

(f) The Company shall pay for personal financial planning services for Executive, up to an amount of $15,000 per year, for the calendar years 1999 and 2000.

4. Termination. The Employment Period shall terminate upon the earliest of the following:

(a) the Executive's death;

(b) the Executive's disability in accordance with Section 6;

(c) the Executive's termination for cause in accordance with Section 7;

(d) the date 60 days following the date of the giving of the notice specified in Section 1(b) hereof.

5. Death. The death of the Executive shall serve to terminate the Employment Period, in which event the Company shall have no liability or further obligation except as follows:

(a) The Company shall pay the Executive's estate (or, if properly designated under an applicable plan or arrangement, his beneficiary) when otherwise due any unpaid Base Salary for the period prior to such termination of the Employment Period, any declared but unpaid bonuses, any declared but unpaid amounts due under any incentive plan and any other unpaid amounts due the Executive under employee benefit, fringe benefit or incentive plans ("ENTITLEMENTS").

(b) The Executive's estate or his designated beneficiary shall have such rights under any employee benefit, fringe benefit or incentive plan, including any stock option plan, as provided in such plans and any grants thereunder ("RIGHTS").

(c) The Executive's estate or his designated beneficiary shall be entitled to receive those benefits afforded by the Company under its then existing policies to employees who die while employed by the Company.

6. Disability. If the Board reasonably shall determine that the Executive has become physically or mentally incapable of performing his material duties as provided in Section 2 of this Agreement and such incapacity is likely to last for a period of at least one hundred eighty (180) days from the onset of such incapacity, the Company may, at its election at any time thereafter while the Executive remains incapable of performing his duties, terminate the Executive's employment hereunder effective immediately by giving the Executive written notice of such termination. In such event, the Company shall continue the Executive as an employee on payroll (but not as an officer hereunder) at his same Base Salary until he qualifies for the Company's long term disability policy and the Company shall have no other obligation to the Executive or his dependents other than Entitlements, Rights,

amounts due under the Company's long term disability plan, and any benefits offered by the Company under its then policy to employees who become disabled while employed by the Company.

7. Cause. (a) If the Board shall determine that there are grounds for terminating the Employment Period and discharging the Executive for "cause" (as hereinafter defined), the Company may, at its election at any time within six months after the Company shall obtain knowledge of the grounds for termination, give the Executive notice of its intention to terminate the Executive for cause, stating the grounds for termination and specifying a reasonable date (the "MEETING DATE") on which the Executive shall be given an opportunity if he desires to discuss such grounds for termination at a meeting of the Board.

(b) If the grounds for termination are those specified in clause (ii)(X), (iv) or (vi) of paragraph (d) hereof, the Executive shall have a period of ten (10) days from the Meeting Date (the "CURE PERIOD") to cure the neglect, refusal or breach, as the case may be, provided that if similar grounds arise again within one (1) year of such cure, no new notice need be given and the Company, at its option, may immediately terminate the Executive for cause.

(c) If the grounds for termination are those specified in clauses (i), (ii)(Y), (iii) or (v) of paragraph (d) hereof, it is understood and agreed that no satisfactory cure is available. If, following discussion with the Executive of the grounds for his termination at the Board meeting or, if the Executive does not appear, following the Board meeting, the Company shall continue intent on discharging the Executive for cause on the grounds specified in clause (i), (ii)(Y), (iii) or (v) of paragraph (d), the Company shall so notify the Executive, and such termination shall be effective immediately.

(d) For purposes of this Section 7 the term "CAUSE" shall mean:

(i) the conviction (or plea of guilty or nolo contendere) of the Executive of any felony, or of any crime involving fraud, dishonesty or misappropriation, or moral turpitude or, if any of the foregoing involves the Company or any subsidiary or affiliate (collectively the "CONTROL GROUP"), the commission of any of the foregoing (other than good faith disputes involving expense account items);

(ii) the Executive's (X) continued willful neglect of his duties and responsibilities under this Agreement or (Y) gross negligence;

(iii) the Executive's willful misconduct with regard to the Control Group;

(iv) the Executive's refusal to follow the written direction of the Board with regard to the Executive's responsibilities as set forth herein;

(v) the Executive's willful failure to comply with the covenants in Section 10 hereof; or

(vi) material breach of any of the provisions of this Agreement by the Executive.

(e) If the Company shall terminate the Executive's employment pursuant to this Section 7, it shall have no further liability or obligation hereunder except as follows:

(i) The Company shall promptly pay the Executive his then current Base Salary through the effective date of such termination;

(ii) The Executive shall receive the benefits, if any, and have the rights afforded by the Company under its then existing policies to employees whose employment is terminated for cause or under the specific terms of any welfare, fringe benefit or incentive plan.

8. Change in Control. In the event of a Change in Control, as defined in Exhibit B hereto, the Executive shall have the right to terminate the Employment Period by written notice given within the thirty (30) day period following three (3) months after such Change in Control. Such Employment Period shall cease upon the giving of such notice. In such event, the Company shall have no obligation to the Executive except as follows:

(a) The Executive shall receive his Entitlements and have his Rights.

(b) Upon a Change in Control, the forfeiture period with regard to the restricted stock shall terminate and such shares shall become immediately vested.

(c) In addition to any payments to which the Executive may be entitled pursuant to the provisions of paragraph (a) of this section, the Company shall make a lump sum cash payment equal to 3 multiplied by Executive's Base Salary (at the rate payable immediately prior to such Change in Control) plus bonus payable under the Annual Plan at target in the year of the termination of the Employment Period within five business days of the date of the termination of the Employment Period.

9. Gross-up. (a) In the event that the Executive shall become entitled to any amounts, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change of ownership covered by Section 280G(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") or any person affiliated with the Company or such person (collectively the "Company Payments"), and such Company Payments will be subject to the tax (the "EXCISE

TAX") imposed by Section 4999 of the Code (and any similar tax that may hereafter be imposed), the Company shall pay to the Executive at the time specified in paragraph (d) below an additional amount (the "GROSS-UP PAYMENT") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Company Payments and any federal, state and local income tax and Excise Tax upon the Gross-up Payment provided for by this paragraph (a), but before deduction for any federal, state or local income tax on the Company Payments, shall be equal to the Company Payments.

(b) For purposes of determining whether any of the Company Payments and Gross-up Payments (collectively the "TOTAL PAYMENTS") will be subject to the Excise Tax and the amount of such Excise Tax, (a) the Total Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "parachute payments" in excess of the "base amount" (as defined under Code Section 280G(b)(3)) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Company's independent certified public accountants appointed prior to any change in ownership (as defined under Code Section 280G(b)(2)) or tax counsel selected by such accountants (the "ACCOUNTANTS") such Total Payments (in whole or in part) either do not constitute "parachute payments," represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the "base amount" or are otherwise not subject to the Excise Tax, and (b) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accountants in accordance with the principles of Section 280G of the Code.

(c) For purposes of determining the amount of the Gross-up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence for the calendar year in which the Company Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes if paid in such year. In the event that the Excise

Tax is subsequently determined by the Accountants to be less than the amount taken into account hereunder at the time the Gross-up Payment is made, the Executive shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the prior Gross-up Payment attributable to such reduction net of any federal, state, or local income tax incurred on the original receipt of such portion of the prior Gross-up Payment (after taking into account the tax benefit, if any, that the Executive receives on such repayment) (plus the portion of the Gross-up Payment attributable to the Excise Tax and federal and state and local income tax imposed on the portion of the Gross-up Payment being repaid by the Executive if such repayment results in a reduction in Excise Tax or a federal and state and local income tax deduction), plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. Notwithstanding the foregoing, in the event any portion of the Gross-up Payment to be refunded to the Company has been paid to any federal, state or local tax authority, repayment thereof (and related amounts) shall not be required until actual refund or credit of such portion has been made to the Executive, and interest payable to the Company shall not exceed the interest received or credited to the Executive by such tax authority for the period it held such portion. The Executive and the Company shall mutually agree upon the course of action to be pursued (and the method of allocating the expense thereof) if the Executive's claim for refund or credit is denied.

In the event that the Excise Tax is later determined by the Accountants or the Internal Revenue Service to exceed the amount taken into account hereunder at the time the Gross-up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-up Payment), the Company shall make an additional Gross-up Payment in respect of such excess (plus any interest or penalties payable with respect to such excess) at the time that the amount of such excess is finally determined.

(d) The Gross-up Payment or portion thereof provided for in paragraph (c) above shall be paid not later than the thirtieth day following an event occurring which subjects the Executive to the Excise Tax; provided, however, that if the amount of

such Gross-up Payment or portion thereof cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate, as determined in good faith by the Accountants, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Code Section 1274(b)(2)(B) of the Code), subject to further payments pursuant to paragraph (c) hereof, as soon as the amount thereof can reasonably be determined, but in no event later than the ninetieth day after the occurrence of the event subjecting the Executive to the Excise Tax. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

(e) The Company shall be responsible for all charges of the Accountants.

10. Confidential Information; Nondisparagement; Noncompetition. (a) In consideration of the covenants by the Company contained herein, the Executive undertakes and agrees that during the Employment Period and thereafter he shall hold in a fiduciary capacity for the benefit of the Control Group all secret or confidential information, knowledge or data relating to the Control Group or its business (which shall be defined as all such information, knowledge and data coming to the Executive's attention by virtue of his employment at the Company except that which is otherwise public knowledge or known within the Company's industry). During such period, the Executive shall not, without prior written consent of the Company, unless compelled pursuant to the order of a court or other body having jurisdiction over such matter or unless required by lawful process or subpoena, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. The foregoing shall not limit the disclosure by the Executive of such information in the course of the performance of his duties as Chairman of the Board so long as such disclosure is in good faith.

(b) During the Employment Period and for two years thereafter, the Executive shall not make any statements or comments (i) to any form of media or likely to come to the attention of any form of media of a negative nature that reasonably could be considered to have an adverse impact on the business or reputation of the Control Group, the Board or any senior officer of the Control Group, or (ii) to any employee of the Control Group or to any supplier or customer of the Control Group of a negative nature that reasonably could be considered to have an adverse impact on the business or reputation of the Control Group, or the Board or any senior officer of the Control Group, provided that in no event shall the foregoing limitation apply to (i) compliance with legal process or subpoena, (ii) statements in response to inquiry from a court or regulatory body, (iii) in rebuttal of media stories with regard to the Executive, (iv) to a possible future employer in connection with employment discussions, or (v) in response to inquiry from the Board.

(c) During the Employment Period and for two years thereafter, Executive shall not engage in Competition with the Control Group. For purposes of this Agreement, "COMPETITION" shall mean the:

(i) participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever (within the United States of America, or in any country where the Control Group does business) in any of the entities listed on Exhibit A hereto or any successor to any such entity, provided, however, that such participation shall not include (x) the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company; or (y) any activity engaged in with the prior written approval of the Board; or

(ii) intentional recruiting, soliciting or inducing, of any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with, the Control Group where such employee or employees do in fact so terminate their employment.

If any restriction set forth with regard to Competition is found by any court of competent jurisdiction, or an arbitrator, to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) Notwithstanding any other provision of this Agreement, in the event of a breach or threatened breach by the Executive of any provision of this Section, the Executive and the Company agree that the Company shall be entitled to injunctive and declaratory relief from a court of competent jurisdiction to restrain the Executive from committing such breach of the Agreement. Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other remedy or remedies including, without limitation, the recovery of damages.

(e) The provisions of this Section 10 shall survive the expiration of this Agreement or the termination of this Agreement for any reason.

11. Indemnification. The Company agrees that the Executive shall be entitled to the benefits of the indemnity provisions set forth in the By-laws from time to time in accordance with their terms both during his employment and thereafter with regard to his actions as an officer or director of the Company and the indemnification agreement with Executive dated as of December 11, 1994. In addition, the Company agrees to continue in effect for the benefit of the Executive during the Employment Period directors' and officers' liability insurance of the type and in the amount currently maintained by the Company to the extent such insurance is available at a premium cost which the Company considers reasonable and, thereafter, with regard to his prior activities as an officer or director, such insurance as is maintained for active directors and officers.

12. Assignment. This Employment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs (in the case of the Executive) and permitted assigns. This Agreement is personal to the Executive and neither this Agreement or any rights hereunder may be assigned by the Executive. No rights or obligations of the Company under this Employment Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or pursuant to a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Employment Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale as described in the preceding sentence, it shall use its best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder.

13. Arbitration. Any controversy or claim arising out of or relating to this Employment Agreement, or the breach thereof, other than injunctive relief pursuant to Section 10(d) hereof, shall be settled by arbitration in the City of New York, in accordance with the rules of the American Arbitration Association (the "AAA") before three arbitrators. The decision of the arbitrators shall be final and binding on the parties hereto and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The costs assessed by the AAA for arbitration shall be borne equally by both parties.

14. Notice. Any notice to either party hereunder shall be in writing, and shall be deemed to be sufficiently given to or served on such party, for all purposes, if the same shall be personally delivered to such party, or sent to such party by registered mail, postage prepaid, at, in the case of the Company, the address of such party first given above and, in the case of the Executive, his principal residence address as shown in the records of the Company. Notice to the Company shall be addressed to the General Counsel. Either

party hereto may change the address to which notices are to be sent to such party hereunder by written notice of such new address given to the other party hereto. Notices shall be deemed given when received if delivered personally or three days after mailing if mailed as aforesaid.

15. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to contracts to be performed therein.

16. April Agreement. The April Agreement is hereby terminated, effective as of 12:00 Midnight on August 15, 1999, without further obligation of either party to the other, and shall thereafter be of no force and effect.

17. Miscellaneous. (a) This Employment Agreement represents the entire understanding of the parties hereto, supersedes any prior understandings or agreements between the parties, and the terms and provisions of this Employment Agreement may not be modified or amended except in a writing signed by both parties.

(b) No waiver by either party of any breach by the other party of any condition or provision contained in this Employment Agreement to be fulfilled or performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Except to the extent otherwise specifically provided herein, any waiver must be in writing and signed by the Executive or an authorized officer of the Company, as the case may be.

18. Beneficiary. The Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable under this Employment Agreement following his death by giving the Company written notice thereof in accordance with applicable Company policies. In the event of the Executive's death or a judicial determination of his incompetence,

reference in this Employment Agreement to the Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Employment Agreement as of the day and year first above written.

VENATOR GROUP, INC.

By: /s/ Dennis M. Lee

DENNIS M. LEE

/s/ Roger N. Farah

ROGER N. FARAH

Exhibit A

List of Competing Companies

- - The Finish Line, Inc.
- - Footstar, Inc.
- - Hibbetts Sporting Goods, Inc.
- - Just For Feet, Inc.
- - The Sports Authority, Inc.
- - Any entity owning, operating, or franchising Athlete's Foot stores (not including a general merchandise or department store that solely operates Athlete's Foot departments as an incidental part of its stores)

Exhibit B

Change in Control of the Company shall mean any of the following: (i) (A) the making of a tender or exchange offer by any person or entity or group of associated persons or entities (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934) (a "Person") (other than the Company or its subsidiaries) for shares of Common Stock pursuant to which purchases are made of securities representing at least twenty percent (20%) of the total combined voting power of the Company's then issued and outstanding voting securities; (B) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, any Person other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), of securities representing more than the amounts set forth in (C) below; (C) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), in the aggregate, of securities of the Company representing twenty percent (20%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person acting in concert as of the date of this Agreement; provided, however, that the Board of Directors of the Company (referred to herein as the "BOARD") may at any time and from time to time and in the sole discretion of the Board, as the case may be, increase the voting security ownership percentage threshold of this item (C) to an amount not exceeding forty percent (40%); or (D) the approval by the shareholders of the Company of any plan or proposal for the complete liquidation or dissolution of the Company or for the sale of all or substantially all of the assets of the Company; or (ii) during any period of not more than two

(2) consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into agreement with the Company to effect a transaction described in clause (i)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of August 16, 1999, by and between Venator Group, Inc., a New York corporation, having its principal place of business at 233 Broadway, New York, New York 10279 (the "Company"), and Dale W. Hilpert (the "Executive").

W I T N E S S E T H :

WHEREAS, the Executive is employed by the Company as its President and Chief Operating Officer pursuant to the provisions of an employment agreement dated as of April 14, 1999 (the "April Agreement"), the term of which ends on January 31, 2002; and

WHEREAS, the Company desires the Executive to serve its President and Chief Executive Officer for a period commencing on the date hereof, and the Executive is willing to serve in such capacity; and

WHEREAS, the Company and the Executive desire to set forth the terms and conditions of such employment; and

WHEREAS, the Executive and the Company desire to terminate the April Agreement as of August 15, 1999, so that, from and after August 16, 1999, the terms and conditions of the employment of the Executive with the Company shall be governed by the provisions of this agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the Company and the Executive agree as follows:

1. Employment. (a) The Company hereby agrees to employ the Executive as its President and Chief Executive Officer, and the Executive hereby agrees to accept such continued employment with the Company, on the terms and conditions herein contained.

The Executive shall serve as President and Chief Executive Officer and as a member of the Board of Directors of the Company (the "Board").

(b) Except for earlier termination as provided pursuant to this Agreement, the Executive's employment under this Agreement shall be for a period commencing on August 16, 1999 (the "Commencement Date"), and ending on August 31, 2004 (the "Employment Period").

2. Duties. (a) The Executive shall serve during the Employment Period as President and Chief Executive Officer of the Company, reporting only to the Board. The Executive agrees that in such offices he shall perform such duties and functions as are commensurate with his status as President and Chief Executive Officer of the Company as may from time to time be determined or directed by the Board. The Executive shall devote substantially all of his working time, attention, skill, and efforts to the performance of his duties hereunder; provided, however, that the Executive may serve on the boards of directors of other for-profit corporations, if such service does not conflict with his duties hereunder or his fiduciary duty to the Company. It is further understood and agreed that nothing herein shall prevent the Executive from managing his passive personal investments (subject to applicable Company policies on permissible investments), and (subject to applicable Company policies) participating in charitable and civic endeavors, so long as such activities do not interfere in more than a de minimis manner with the Executive's performance of his duties hereunder. The services to be performed by the Executive pursuant to the terms of this Agreement shall be rendered principally at the Company's principal offices; provided, however, that the Executive agrees to travel for reasonable periods of time for business purposes whenever such travel is necessary or appropriate to the performance of his duties hereunder.

(b) The Executive shall also serve as an officer and director of subsidiaries and affiliates of the Company without additional compensation.

3. Compensation and Benefits. As full compensation for his services hereunder, and subject to all the provisions hereof:

(a) During the Employment Period, the Company shall pay the Executive, in accordance with its normal payroll practices and subject to required withholding, a salary calculated at such rate per annum as may be fixed by the Compensation Committee of the Board from time to time, but in no event at a rate of less than $950,000 per annum ("Base Salary").

(b) During the Employment Period, the Executive shall be eligible to participate in all bonus, incentive and equity plans that are maintained by the Company from time to time for its senior executive employees in accordance with the terms of such plans at the time of participation. Executive shall be eligible to earn a bonus, at target, under the Annual Incentive Compensation Plan equal to no less than 75 percent of his Base Salary.

(c) During the Employment Period, the Executive shall be eligible to participate in all pension, welfare and fringe benefit plans, as well as perquisites, maintained by the Company from time to time for its senior executive employees in accordance with their respective terms as in effect from time to time (other than any special arrangement entered into by contract with an executive). In addition, during the Executive's active employment during the Employment Period, the Company shall provide the Executive with life insurance, with its group term life insurance plan or otherwise, on the life of the Executive for the benefit of his designated beneficiaries in amount of $5,000,000.

(d) During the Employment Period, the Executive shall be reimbursed for his out-of-pocket travel and entertainment expenses in accordance with the Company's normal policy for senior executive officers, including appropriate documentation.

(e) The Executive shall be entitled to four weeks vacation for each fiscal year during the Employment Period to be taken at such time as mutually convenient to the Executive and the Company. Unused vacation shall be forfeited.

(f) Within 90 days of the date hereof, the Compensation Committee shall grant the Executive 60,000 shares of restricted stock under the 1998 Stock Option and Award Plan (the "Restricted Stock"), such shares to be subject to the same restrictions as those shares of restricted stock granted to Executive on February 1, 1999.

(g) The Company shall provide to Executive a transportation allowance of $10,000 per year.

(h) The Company shall pay for personal financial planning services for Executive up to an amount of $15,000 per year.

(i) The Company shall reimburse Executive for his legal fees in connection with the negotiation and review of this agreement in an amount not to exceed $15,000.

4. Termination. The Employment Period shall terminate upon the earliest of the following:

(a) the Executive's death;
(b) the Executive's disability in accordance with Section 6;
(c) the Executive's termination for cause in accordance with Section 7;
(d) the termination of the Executive by the Company without cause;
(e) the termination by the Executive in accordance with Section 8; or
(f) the termination of the Executive in accordance with Section 10.

5. Death. The death of the Executive shall serve to terminate the Employment Period, in which event the Company shall have no liability or further obligation except as follows:

(a) The Company shall pay the Executive's estate (or, if properly designated under an applicable plan or arrangement, his beneficiary) when otherwise due any unpaid Base Salary for the period prior to such termination of the Employment Period, any declared but unpaid bonuses, any declared but unpaid amounts due under any incentive plan, and any other unpaid amounts due the Executive under employee benefit, fringe benefit or incentive plans ("Entitlements").

(b) The Executive shall have such rights under any employee benefit, fringe benefit or incentive plan, including any stock option plan, as provided in such plans and any grants thereunder ("Rights").

(c) The Executive's estate or his designated beneficiary shall be entitled to receive those benefits afforded by the Company under its then existing policies to employees who die while employed by the Company.

6. Disability. If the Company reasonably shall determine that the Executive has become physically or mentally incapable of performing his material duties as provided in Section 2 of this Agreement and such incapacity is likely to last for a period of at least 180 days from the onset of such incapacity, the Company may, at its election at any time after the date of such onset while the Executive remains incapable of performing his duties, terminate the Executive's employment hereunder effective immediately by giving the Executive written notice of such termination. In such event, the Company shall continue the Executive as an employee on payroll (but not as an officer hereunder) at his same Base Salary until he qualifies for the Company's long term disability policy and the Company shall have no other obligation to the Executive or his dependents other than Entitlements, Rights, amounts due

under the Company's long term disability plan, and any benefits offered by the Company under its then policy to employees who become disabled while employed by the Company.

7. Cause. (a) If the Board shall determine that there are grounds for terminating the Employment Period and discharging the Executive for "cause" (as hereinafter defined), the Company may, at its election at any time within six months after the Company shall obtain knowledge of the grounds for termination, give the Executive notice of its intention to terminate the Executive for cause, stating the grounds for termination and specifying a reasonable date (the "Meeting Date") on which the Executive shall be given an opportunity if he desires to discuss such grounds for termination at a meeting of the Board. In the event of any arbitration in accordance with Section 17 hereof with regard to the Company's determination of cause, the determination by the Company shall be reviewed on a de novo basis by the arbitrator(s).

(b) If the grounds for termination are those specified in clause (ii)(X), (iv) or (vi) of paragraph (d) hereof, the Executive shall have a period of ten days from giving of the notice to cure the neglect, refusal, or breach, as the case may be, provided that if similar grounds arise again within one year of such cure, no new notice need be given and the Company, at its option, may immediately terminate the Executive for cause.

(c) If the grounds for termination are those specified in clauses (i), (ii)(Y), (ii)(Z), (iii) or (v) of paragraph (d) hereof, it is understood and agreed that no satisfactory cure is available and such termination shall be effective immediately upon notice by the Company.

(d) For purposes of this Section 7 and Section 9 hereof, the term "cause" shall mean:

(i) the conviction (or plea of guilty or nolo contendere) of the Executive of any felony, or of any crime involving fraud, dishonesty or misappropriation, or

moral turpitude or, if any of the foregoing involves the Company or any subsidiary or affiliate (collectively the "Control Group"), the commission of any of the foregoing (other than good faith disputes involving expense account items);

(ii) the Executive's (X) continued willful neglect of his duties and responsibilities under this Agreement; (Y) grossly negligent conduct in connection with his duties and responsibilities under this Agreement; or (Z) gross negligence in connection with his handling of the assets of the Company or any other member of the Control Group;

(iii) the Executive's willful misconduct with regard to the Control Group;

(iv) the Executive's refusal to follow the written direction of the Board with regard to the Executive's responsibilities as set forth herein;

(v) the Executive's willful failure to comply with the covenants in Section 13 hereof; or

(vi) material breach of any of the provision of this Agreement by the Executive.

(e) If the Company shall terminate the Executive's employment pursuant to this Section 7, it shall have no further liability or obligation hereunder except as follows:

(i) The Company shall promptly pay the Executive his then current Base Salary through the effective date of such termination;

(ii) The Executive shall receive the benefits, if any, and have the rights afforded by the Company under its then existing policies to employees whose

employment is terminated for cause or under the specific terms of any welfare, pension, fringe benefit or incentive plan.

8. Good Reason. In the event that the Company shall (i) fail to continue the appointment of the Executive as Chief Executive Officer of the Company, or (ii) reduce the Executive's annual salary below the Base Salary, or (iii) materially diminish the duties and responsibilities of the Executive as President and Chief Executive Officer, assign to the Executive duties and responsibilities inconsistent with his positions, or materially diminish his authority, or (iv) locate the Executive at other than at the Company's principal executive office, or (v) relocate the Company's principal executive office outside the New York metropolitan area, or (vi) breach any payment provision of this Agreement (to the extent not disputed in good faith) or any other material provision of this Agreement (each of the foregoing hereinafter referred to as a "Triggering Event"), then the Executive may give notice to the Company of his election to terminate the Employment Period pursuant to this Section 8, effective thirty (30) days from the date of such notice, unless the Company shall have cured prior thereto the default giving rise to his notice of election to terminate. Such notice from the Executive shall state the Triggering Event which provides the grounds for his termination, and such notice must be given, if at all, within 90 days of the date the Executive obtains knowledge of the Triggering Event referred to as providing such grounds for termination. Within the 30 day period specified in the Executive's notice to the Company, the Company shall have the opportunity to cure the default involved in the Triggering Event specified by the Executive. If the Employment Period is terminated pursuant to this Section 8, the Company shall have no liability or further obligation hereunder except as provided in Section 9 hereof. If the Executive does not give notice to the Company of his election to terminate within 90 days following the occurrence of a Triggering Event, then the Executive shall be deemed to have waived his right to terminate the Employment Period based on such Triggering Event, but such waiver shall not prejudice his right to terminate pursuant to this Section 8 based on the occurrence of another Triggering Event occurring subsequent in time, whether of the same or a different type.

9. Termination. In the event of a termination of the Employment Period pursuant to Section 8 hereof, or in the event the Company shall terminate the Employment Period without cause, then, except as provided in Section 10 hereof, the Company shall have no obligation to the Executive except as follows:

(a) The Executive shall receive his Entitlements and have his Rights. Thereafter, and during the period until the earliest of (i) the Severance Period Termination Date, as hereinafter defined, (ii) the Executive's death, or (iii) the Executive's violation of the post employment requirements of Section 13 hereof, and subject to paragraph (f) below, following the date of such termination (hereinafter referred to as the "Severance Period"), the Company shall make payments to the Executive, either bi-weekly or monthly as the Company shall elect, calculated at the annual rate of Base Salary which the Executive was receiving pursuant to Section 3(a) hereof immediately prior to such termination. As used herein, the "Severance Period Termination Date" shall mean that date which is the later of August 31, 2004 or the second anniversary of the date of termination of Executive's employment with the Company.

(b) During the Severance Period the Executive shall not be an employee and shall not be entitled to receive any fringes, perquisites or benefits from the Company, except the Company shall pay the premiums for his and his dependents' health coverage under COBRA until the earliest of (i) such time as he commences other employment, (ii) such time as he or a dependent, as the case may be, is no longer entitled to COBRA coverage, or (iii) as provided in paragraph (f) below.

(c) The Company shall provide the Executive, at no cost to the Executive, with out-placement at a level commensurate with the Executive's position.

(d) The Executive shall not be required to mitigate the amount of any payment provided for in the second sentence of paragraph (a) or in paragraph (b) by seeking

other employment nor shall any amounts to be received by the Executive hereunder be reduced by any other compensation earned.

(e) The Company shall be entitled to withhold from any payments made to the Executive under this Section 9 any amounts required to be withheld by applicable federal, state or local tax law.

(f) Any amounts being paid to or on behalf of the Executive under this Section 9 (other than vested benefits that are required to be paid under the Company's tax-qualified pension plans pursuant to the provisions of the Employee Retirement Income Security Act of 1974, as amended) shall immediately cease if the Executive enters into Competition with the Control Group. For purposes of this Agreement, "Competition" shall mean the:

(i) participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, or in any capacity whatsoever (within the United States of America, or in any country where the Control Group does business) in any of the entities listed on Exhibit A hereto or any successor to any such entity, provided, however, that such participation shall not include (x) the mere ownership of not more than one percent (1%) of the total outstanding stock of a publicly held company; or (y) any activity engaged in with the prior written approval of the Board; or

(ii) intentionally recruiting, soliciting or inducing, any employee or employees of the Control Group to terminate their employment with, or otherwise cease their relationship with, the Control Group where such employee or employees do in fact so terminate their employment.

If any restriction set forth with regard to Competition is found by any court of competent jurisdiction, or an arbitrator, to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall

be interpreted to extend over the maximum period of time, range of activities, or geographic area as to which it may be enforceable.

10. Change in Control. In the event of a Change in Control, as defined in Exhibit B hereto, the Executive shall have the right to terminate the Employment Period by written notice given within the thirty (30) day period following three (3) months after such Change in Control. Such Employment Period shall cease upon the giving of such notice. In such event, or in the event the Company shall terminate the Executive's employment without cause or the Executive shall terminate his employment for Good Reason during the two year period after the Change in Control, the Company shall have no obligation to the Executive except as follows:

(a) The Executive shall receive all amounts and benefits under Section 9 hereof as if he had terminated his employment for Good Reason pursuant to Section 8 hereof, except that subpart (ii) of paragraph (a), subpart (iii) of paragraph (a), and paragraph (f) of Section 9 shall not apply; provided, however, that all such amounts shall be payable as a lump sum, without adjustment for the time value of money, within five business days of the date of termination of the Employment Period (the "Section 9(a) Payment").

(b) Upon a Change in Control, the forfeiture period with regard to the Restricted Stock shall terminate and such shares shall become immediately vested.

(c) In addition to any payments to which the Executive may be entitled pursuant to the provisions of paragraph (a) of this section, if the Section 9(a) Payment is less than 3 multiplied by Executive's Base Salary (at the rate payable immediately prior to such Change in Control) plus bonus payable under the Annual Incentive Compensation Plan at target in the year of the termination of the Employment Period (the "Change-in-Control Amount"), then the Company shall make a lump sum cash payment of the difference between the Change-in-Control Amount and the Section 9(a) Payments to Executive within five business days of the date of the termination of the Employment Period.

11. Gross-up. (a) In the event that the Executive shall become entitled to the payments and/or benefits provided by Section 10 or any other amounts (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change of ownership covered by Section 280G(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") or any person affiliated with the Company or such person) (collectively the "Company Payments"), and such Company Payments will be subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code (and any similar tax that may hereafter be imposed), the Company shall pay to the Executive at the time specified in paragraph (d) below an additional amount (the "Gross-up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Company Payments and any federal, state and local income tax and Excise Tax upon the Gross-up Payment provided for by this paragraph (a), but before deduction for any federal, state or local income tax on the Company Payments, shall be equal to the Company Payments.

(b) For purposes of determining whether any of the Company Payments and Gross-up Payments (collectively the "Total Payments") will be subject to the Excise Tax and the amount of such Excise Tax, (a) the Total Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "parachute payments" in excess of the "base amount" (as defined under Code Section 280G(b)(3)) shall be treated as subject to the Excise Tax, unless and except to the extent that, in the opinion of the Company's independent certified public accountants appointed prior to any change in ownership (as defined under Code Section 280G(b)(2)) or tax counsel selected by such accountants (the "Accountants") such Total Payments (in whole or in part) either do not constitute "parachute payments", represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code in excess of the "base amount" or are otherwise not subject to the Excise Tax, and (b) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Accountants in accordance with the principles of Section 280G of the Code.

(c) For purposes of determining the amount of the Gross-up Payment, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence for the calendar year in which the Company Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes if paid in such year. In the event that the Excise Tax is subsequently determined by the Accountants to be less than the amount taken into account hereunder at the time the Gross-up Payment is made, the Executive shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the prior Gross-up Payment attributable to such reduction net of any federal, state, or local income tax incurred on the original receipt of such portion of the prior Gross-up Payment (after taking into account the tax benefit, if any, that the Executive receives on such repayment) (plus the portion of the Gross-up Payment attributable to the Excise Tax and federal and state and local income tax imposed on the portion of the Gross-up Payment being repaid by the Executive if such repayment results in a reduction in Excise Tax or a federal and state and local income tax deduction), plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. Notwithstanding the foregoing, in the event any portion of the Gross-up Payment to be refunded to the Company has been paid to any federal, state or local tax authority, repayment thereof (and related amounts) shall not be required until actual refund or credit of such portion has been made to the Executive, and interest payable to the Company shall not exceed the interest received or credited to the Executive by such tax authority for the period it held such portion. The Executive and the Company shall mutually agree upon the course of action to be pursued (and the method of allocating the expense thereof) if the Executive's claim for refund or credit is denied.

In the event that the Excise Tax is later determined by the Accountant or the Internal Revenue Service to exceed the amount taken into account hereunder at the time the Gross-up Payment is made (including by reason of any payment the existence or amount of

which cannot be determined at the time of the Gross-up Payment), the Company shall make an additional Gross-up Payment in respect of such excess (plus any interest or penalties payable with respect to such excess) at the time that the amount of such excess is finally determined.

(d) The Gross-up Payment or portion thereof provided for in paragraph (c) above shall be paid not later than the thirtieth day following an event occurring which subjects the Executive to the Excise Tax; provided, however, that if the amount of such Gross-up Payment or portion thereof cannot be finally determined on or before such day, the Company shall pay to the Executive on such day an estimate, as determined in good faith by the Accountant, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Code Section 1274(b)(2)(B) of the Code), subject to further payments pursuant to paragraph (c) hereof, as soon as the amount thereof can reasonably be determined, but in no event later than the ninetieth day after the occurrence of the event subjecting the Executive to the Excise Tax. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to the Executive, payable on the fifth day after demand by the Company (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code).

(e) The Company shall be responsible for all charges of the Accountant.

12. Supplemental Executive Retirement Plan. During the Employment Period, Executive shall participate in the Company's Supplemental Executive Retirement Plan (the "SERP"). If, at the time of a termination of the Employment Period (a) pursuant to Section 8 hereof, (b) without cause, (c) pursuant to Section 10 hereof, or (d) on August 31, 2004 (if the Company and Executive have not entered into an employment agreement extending Executive's employment with the Company beyond such date) (the "Retirement Events"), the Total Retirement Benefit, as hereinafter defined, is less than $1,300,000, the Company shall,

effective as of the date of such termination of the Employment Period, increase the amount of Executive's Account in the SERP by the difference between the Total Retirement Benefit and $1,300,000. Further, if at any time during the Employment Period the Board freezes or terminates the SERP or terminates the participation of Executive thereunder, (i) Executive shall, as of the day preceding such action, if it is not the case, be deemed to be at least 55 years of age and have at least five "Years of Service" as defined in the SERP and (ii) the Company shall, if the Total Retirement Benefit to which the Executive would be entitled, as of the day preceding such action, is less than $1,300,000, increase the amount of Executive's Account in the SERP by the difference between the Total Retirement Benefit, calculated as of such date, and $1,300,000. For purposes of this section, Total Retirement Benefit shall be the sum of (a) the lump sum benefit to which Executive is entitled under the provisions of Section 4.03 (C) (2) of the Venator Group Retirement Plan plus (b) the amount of the lump sum Excess Cash Balance Benefit payable under the provisions of the Excess Cash Balance Plan plus (c) the amount of Executive's Account under the SERP, prior to any adjustment provided for herein. In the event a Retirement Event occurs and either (i) such Retirement Event occurs before the Executive reaches age 55 or (ii) such Retirement Event occurs after the Executive has reached age 55 and the Compensation Committee of the Board does not provide the consent required by Section 2(v) of the SERP to permit Executive's "Retirement", as defined therein, to occur before he attains age 65, then the Company shall make a payment to Executive equal to the amount that would have been in Executive's Account in the SERP following the adjustment, if any, provided for in this section, such payment to be made to Executive in the same manner, and subject to the same restrictions, as provided for in the SERP.

13. Confidential Information, Nondisparagement; Non-competition. (a) In consideration of the covenants by the Company contained herein, the Executive undertakes and agrees that during the Employment Period and thereafter he shall hold in a fiduciary capacity for the benefit of the Control Group all secret or confidential information, knowledge, or data relating to the Control Group or its business (which shall be defined as all such information, knowledge, and data coming to the Executive's attention by virtue of his

employment at the Company except that which is otherwise public knowledge or known within the Company's industry). During such period, the Executive shall not, without prior written consent of the Company, unless compelled pursuant to the order of a court or other body having jurisdiction over such matter or unless required by lawful process or subpoena, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. The foregoing shall not limit the disclosure by the Executive of such information in the course of the performance of his duties as President and Chief Operating Officer so long as such disclosure is in good faith.

(b) During the Employment Period and thereafter while the Executive is receiving any amounts pursuant to Section 9(a), Section 10, or Section 12 hereof, the Executive shall not make any statements or comments (i) to any form of media or likely to come to the attention of any form of media of a negative nature that reasonably could be considered to have an adverse impact on the business or reputation of the Control Group, the Board or any senior officer of the Control Group, or (ii) to any employee of the Control Group or to any supplier or customer of the Control Group of a negative nature that reasonably could be considered to have an adverse impact on the business or reputation of the Control Group or the Board or any senior officer of the Control Group, provided that in no event shall the foregoing limitation apply to (i) compliance with legal process or subpoena, (ii) statements in response to inquiry from a court or regulatory body, (iii) in rebuttal of media stories with regard to the Executive, (iv) to a possible future employer in connection with employment discussions, or (v) in response to inquiry from the Board.

(c) Furthermore, (i) during the period from the date hereof to August 31, 2004, and (ii) thereafter while the Executive is receiving any amounts pursuant to Section 9(a) hereof, the Executive shall not enter into Competition with the Control Group, as defined in Section 9(f) hereof.

(d) Notwithstanding any other provision of this Agreement, in the event of a breach or threatened breach by the Executive of any provision of this Section, the Executive

and the Company agree that the Company shall be entitled to injunctive and declaratory relief from a court of competent jurisdiction to restrain the Executive from committing such breach of the Agreement. Nothing in this Agreement shall be construed as prohibiting the Company from pursuing any other remedy or remedies including, without limitation, the recovery of damages.

(e) The provisions of this section shall survive the expiration of this Agreement or the termination of the Agreement for any reason.

14. Indemnification. The Company agrees that the Executive shall be entitled to the benefits of the indemnity provisions set forth in the By-laws from time to time in accordance with their terms both during his employment and thereafter with regard to his actions as an officer or director of the Company and that the Company shall enter into an indemnification agreement with the Executive in the form of its standard indemnification agreement with executive officers. In addition, the Company agrees to continue in effect for the benefit of the Executive during the Employment Period directors' and officers' liability insurance of the type and in the amount currently maintained by the Company to the extent such insurance is available at a premium cost which the Company considers reasonable and, thereafter, with regard to his prior activities as an officer or director, such insurance as is maintained for active directors and officers.

15. Assignment. This Employment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs (in the case of the Executive) and permitted assigns. This Agreement is personal to the Executive and neither this Agreement nor any rights hereunder may be assigned by the Executive. No rights or obligations of the Company under this Employment Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or pursuant to a sale of all or substantially all of the assets of the

Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Employment Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale as described in the preceding sentence, it shall use its best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations, and duties of the Company hereunder.

16. Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, other than injunctive relief pursuant to Section 13(d) hereof, shall be settled by arbitration in the City of New York, in accordance with the rules of the American Arbitration Association (the "AAA") before three arbitrators. The decision of the arbitrators shall be final and binding on the parties hereto and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The costs assessed by the AAA for arbitration shall be borne equally by both parties.

17. Notice. Any notice to either party hereunder shall be in writing, and shall be deemed to be sufficiently given to or served on such party, for all purposes, if the same shall be personally delivered to such party, or sent to such party by registered mail, postage prepaid, at, in the case of the Company, the address first given above and, in the case of the Executive, his principal residence address as shown in the records of the Company. Notices to the Company shall be addressed to the General Counsel. Either party hereto may change the address to which notices are to be sent to such party hereunder by written notice of such new address given to the other party hereto. Notices shall be deemed given when received if delivered personally or three days after mailing if mailed as aforesaid.

18. Applicable Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York applicable to contracts to be performed therein.

19. April Agreement. The April Agreement is hereby terminated, effective as of 12:00 Midnight on August 15, 1999, without further obligation of either party to the other, and shall thereafter be of no force or effect.

20. Miscellaneous. (a) This Agreement represents the entire understanding of the parties hereto, supersede any prior understandings or agreements between the parties, and the terms and provisions of this Agreement may not be modified or amended except in a writing signed by both parties.

(b) No waiver by either party of any breach by the other party of any condition or provision contained in this Agreement to be fulfilled or performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Except to the extent otherwise specifically provided herein, any waiver must be in writing and signed by the Executive or an authorized officer of the Company, as the case may be.

21. Beneficiary. The Executive shall be entitled to select (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit payable under this Agreement following his death by giving the Company written notice thereof in accordance with applicable Company policies. In the event of the Executive's death or a judicial determination of his incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

VENATOR GROUP, INC.

By: /s/ Dennis M. Lee

DENNIS M. LEE

/s/ Dale W. Hilpert

DALE W. HILPERT

Exhibit A

List of Competitive Companies

- - The Finish Line, Inc.

- - Footstar, Inc.

- - Hibbetts Sporting Goods, Inc.

- - Just For Feet, Inc.

- - The Sports Authority, Inc.

- - Any entity owning, operating, or franchising Athlete's Foot stores (not including a general merchandise or department store that solely operates Athlete's Foot departments as an incidental part of its stores)

Exhibit B

Change in Control of the Company shall mean any of the following: (i) (A) the making of a tender or exchange offer by any person or entity or group of associated persons or entities (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934) (a "Person") (other than the Company or its subsidiaries) for shares of Common Stock pursuant to which purchases are made of securities representing at least twenty percent (20%) of the total combined voting power of the Company's then issued and outstanding voting securities; (B) the merger or consolidation of the Company with, or the sale or disposition of all or substantially all of the assets of the Company to, any Person other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) fifty percent (50%) or more of the combined voting power of the voting securities of the Company or such surviving or parent entity outstanding immediately after such merger or consolidation; or (b) a merger or capitalization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), of securities representing more than the amounts set forth in (C) below; (C) the acquisition of direct or indirect beneficial ownership (as determined under Rule 13d-3 promulgated under the Securities Exchange Act of 1934), in the aggregate, of securities of the Company representing twenty percent (20%) or more of the total combined voting power of the Company's then issued and outstanding voting securities by any Person acting in concert as of the date of this Agreement; provided, however, that the Board of Directors of the Company (referred to herein as the "Board") may at any time and from time to time and in the sole discretion of the Board, as the case may be, increase the voting security ownership percentage threshold of this item (C) to an amount not exceeding forty percent (40%); or (D) the approval by the shareholders of the Company of any plan or proposal for the complete liquidation or dissolution of the Company or for the sale of all or

substantially all of the assets of the Company; or (ii) during any period of not more than two (2) consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into agreement with the Company to effect a transaction described in clause (i)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof.

EXHIBIT 12

VENATOR GROUP, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Unaudited)
($ in millions)

	39-weeks ended		Fiscal Years Ended				
	Oct. 30, 1999	Oct. 31, 1998	Jan. 30, 1999	Jan. 31, 1998	Jan. 25, 1997	Jan. 27, 1996	Jan. 28, 1995
NET EARNINGS							
Income (loss) from continuing operations, after-tax	$ (45)	(26)	3	213	209	29	23
Income tax expense (benefit)	(29)	(26)	(42)	120	139	34	41
Interest expense, excluding capitalized interest	51	44	57	36	53	91	85
Portion of rents deemed representative of the interest factor (1/3)	135	123	180	163	162	157	150
	$ 112	115	198	532	563	311	299
FIXED CHARGES							
Gross interest expense	$ 52	49	64	36	53	91	85
Portion of rents deemed representative of the interest factor (1/3)	135	123	180	163	162	157	150
	$ 187	172	244	199	215	248	235
RATIO OF EARNINGS TO FIXED CHARGES	0.6	0.7	0.8	2.7	2.6	1.3	1.3

Earnings were not adequate to cover fixed charges by $75 million and by $57 million for the thirty-nine weeks ended October 30, 1999 and October 31, 1998, respectively, and by $46 million for the fiscal year ended January 30, 1999.

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 and 333-62425 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 November 18, 1999 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
December 14, 1999

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTHS ENDED OCTOBER 30, 1999
AND THE CONSOLIDATED BALANCE SHEET AS OF OCTOBER 30, 1999 AND IS QUALIFIED IN
ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

9-MOS
JAN-29-2000
JAN-31-1999
OCT-30-1999
63
0
0
0
863
1,364
0
0
2,851
1,186
313
0
0
0
1,011
2,851
3,320
3,320
2,430
2,430
138
0
45
(74)
(29)
(45)
10
0
0
(35)
(0.26)
(0.26)

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 October 30, 1999 and October 31, 1998, and the related condensed consolidated statements of operations, comprehensive income (loss), and cash flows for the thirteen and thirty-nine week periods ended October 30, 1999 and October 31, 1998. These condensed consolidated financial statements are the responsibility of Venator Group, Inc. management.

We conducted our review 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 30, 1999, and the related consolidated statements of operations, comprehensive loss, shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 10, 1999, except for note 23 which is as of March 19, 1999, 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 30, 1999, 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
November 18, 1999