SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 10 - Q

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

For the quarterly period ended May 5, 2001

Commission file no. 1-10299

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

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

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

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

Number of shares of Common Stock outstanding at June 1, 2001: 139,471,607

VENATOR GROUP, INC.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except shares)

	May 5, 2001 (Unaudited)	April 29, 2000 (Unaudited)	February 3, 2001 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	$ 29	$ 54	$ 109
Restricted cash	--	90	--
Merchandise inventories	786	731	730
Assets held for disposal	32	46	31
Net assets of discontinued operations	58	56	37
Other current assets	113	118	93
	1,018	1,095	1,000
Property and equipment, net	656	729	684
Deferred taxes	236	316	234
Goodwill, net	141	149	143
Other assets	169	143	171
	$ 2,220	$ 2,432	$ 2,232
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Short-term debt	$ --	$ 101	$ --
Accounts payable	280	237	264
Accrued liabilities	196	216	222
Current portion of repositioning and restructuring reserves	11	34	13
Current portion of reserve for discontinued operations	55	23	76
Current portion of long-term debt and obligations under capital leases	54	93	54
	596	704	629
Long-term debt and obligations under capital leases	258	312	259
Other liabilities	318	275	331
Shareholders' equity			
Common stock and paid-in capital: 139,231,072; 137,841,865 and 138,690,560 shares, issued respectively	354	341	351
Retained earnings	742	959	705
Accumulated other comprehensive loss	(47)	(157)	(41)
Less: Treasury stock at cost: 214,625; 261,667 and 199,625 shares, respectively	(1)	(2)	(2)
Total shareholders' equity	1,048	1,141	1,013
	$ 2,220	$ 2,432	$ 2,232

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	
	May 5, 2001	April 29, 2000
Sales	$ 1,072	$ 1,044
Costs and Expenses		
Cost of sales	746	733
Selling, general and administrative expenses	231	238
Depreciation and amortization	38	37
Interest expense, net	4	8
Other income	--	(10)
	1,019	1,006
Income from continuing operations before income taxes	53	38
Income tax expense	21	15
Income from continuing operations	32	23
Loss from discontinued operations, net of income tax benefit of $6	--	(9)
Income on disposal of discontinued operations, net of income tax benefit of $5	5	--
Cumulative effect of accounting change, net of income tax benefit of $1	--	(1)
Net income	$ 37	$ 13
Basic earnings per share:		
Income from continuing operations	$ 0.23	$ 0.17
Income (loss) from discontinued operations	0.04	(0.06)
Cumulative effect of accounting change	--	(0.01)
Net income	$ 0.27	$ 0.10
Weighted-average common shares outstanding	138.6	137.6
Diluted earnings per share:		
Income from continuing operations	$ 0.23	$ 0.17
Income (loss) from discontinued operations	0.04	(0.06)
Cumulative effect of accounting change	--	(0.01)
Net income	$ 0.27	$ 0.10
Weighted-average common shares outstanding assuming dilution	139.7	138.5

See Accompanying Notes to Condensed Consolidated Financial Statements.

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)
(in millions)

	Thirteen weeks ended	
	May 5, 2001	April 29, 2000
Net income	$ 37	$ 13
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments arising during the period	(7)	(15)
Change in fair value of derivatives accounted for as hedges, net of deferred tax expense of $-	1	--
Comprehensive income (loss)	$ 31	$ (2)

See Accompanying Notes to Condensed Consolidated Financial Statements.

VENATOR GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(in millions)

	Thirteen weeks ended	
	May 5, 2001	April 29, 2000
From Operating Activities:		
Net income	$ 37	$ 13
Adjustments to reconcile net income to net cash used in operating activities of continuing operations:		
Income on disposal of discontinued operations, net of tax	(5)	--
Loss from discontinued operations, net of tax	--	9
Cumulative effect of accounting change, net of tax	--	1
Depreciation and amortization	38	37
Gains on sales of assets and investments	--	(6)
Gains on sales of real estate	--	(4)
Deferred income taxes	(8)	(2)
Change in assets and liabilities:		
Merchandise inventories	(59)	(39)
Accounts payable and other accruals	(20)	(7)
Repositioning and restructuring reserves	(3)	(16)
Other, net	(14)	7
Net cash used in operating activities of continuing operations	(34)	(7)
From Investing Activities:		
Proceeds from sales of real estate	--	2
Capital expenditures	(12)	(17)
Net cash used in investing activities of continuing operations	(12)	(15)
From Financing Activities:		
Cash restricted for repayment of long-term debt	--	(90)
Increase in short-term debt	--	30
Reduction in long-term debt and capital lease obligations	(2)	(13)
Issuance of common stock	3	2
Net cash provided by (used in) financing activities of continuing operations	1	(71)
Net Cash used in Discontinued Operations	(38)	(16)
Effect of exchange rate fluctuations on Cash and Cash Equivalents	3	1
Net change in Cash and Cash Equivalents	(80)	(108)
Cash and Cash Equivalents at beginning of year	109	162
Cash and Cash Equivalents at end of interim period	$ 29	$ 54
Cash paid during the period:		
Interest	$ 1	$ 2
Income taxes	$ 6	$ 16

See Accompanying Notes to Condensed Consolidated Financial Statements.

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 February 3, 2001, as filed with the Securities and Exchange Commission (the "SEC") on April 23, 2001. 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 thirteen weeks ended May 5, 2001 are not necessarily indicative of the results expected for the year. As discussed below, all financial statements have been restated to reflect the discontinuance of the Northern Group, the change in method of accounting for layaway sales and the reclassification of shipping and handling fees to revenue.

Derivative Financial Instruments

Effective February 4, 2001, the Registrant adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," and its related amendment, Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" ("SFAS No. 133"). SFAS No. 133 requires that all derivative financial instruments be recorded in the Consolidated Balance Sheets at their fair values. Changes in fair values of derivatives will be recorded each period in earnings or other comprehensive income (loss), depending on whether a derivative is designated and effective as part of a hedge transaction and, if it is, the type of hedge transaction. The effective portion of the gain or loss on the hedging derivative instrument will be reported as a component of other comprehensive income (loss) and will be reclassified to earnings in the period in which the hedged item affects earnings. To the extent derivatives do not qualify as hedges, or are ineffective, their changes in fair value will be recorded in earnings immediately, which may subject the Registrant to increased volatility. The adoption of SFAS No. 133 in 2001 did not have a material impact on the Registrant's consolidated earnings and reduced accumulated other comprehensive loss by approximately $1 million after-tax.

The Registrant operates internationally and utilizes certain derivative financial instruments to mitigate its foreign currency exposures, primarily related to forecasted transactions. For a derivative to qualify as a hedge at inception and throughout the hedged period, the Registrant formally documents the nature and relationships between the hedging instruments and hedged items, as well as its risk-management objectives, strategies for undertaking the various hedge transactions and method of assessing hedge effectiveness. Additionally, for hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction must be specifically identified, and it must be probable that each forecasted transaction will occur. If it were deemed probable that the forecasted transaction would not occur, the gain or loss would be recognized in earnings immediately. No such gains or losses were recognized in earnings during the quarter ended May 5, 2001. Derivative financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedging instrument and the item being hedged, both at inception and throughout the hedged period. The Registrant does not hold derivative financial instruments for trading or speculative purposes.

The Registrant enters into contracts in order to hedge the foreign currency risk associated with third-party and intercompany forecasted transactions. The primary currencies to which the Registrant is exposed are the Euro and the British Pound. For forward foreign exchange contracts designated as cash flow hedges of inventory, the effective portion of gains and losses is deferred as a component of accumulated other comprehensive loss and is recognized as a component of cost of sales when the related inventory is sold. The effective portion of gains and losses associated with other forward contracts is deferred as a component of accumulated other comprehensive loss until the underlying hedged transaction is reported in earnings. The changes in fair value of forward contracts and option contracts that do not qualify as hedges are recorded in earnings.

During the quarter ended May 5, 2001, ineffectiveness related to cash flow hedges was not material. The Registrant is hedging forecasted transactions for no more than the next twelve months and expects all derivative-related amounts reported in accumulated other comprehensive loss to be reclassified to earnings within twelve months.

During the quarter ended May 5, 2001, the change in accumulated comprehensive loss due to both the changes in fair value of derivative financial instruments designated as hedges and the reclassification to earnings was not material.

During the quarter ended May 5, 2001, the Registrant recorded a loss of approximately $1 million for the changes in fair value of derivative instruments not designated as hedges, which was offset by a foreign exchange gain related to the underlying transactions.

Revenue Recognition

In the fourth quarter of 2000, the Registrant changed its method of accounting for sales under its layaway program, in accordance with Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," effective as of the beginning of the year. Under the new method, revenue from layaway sales is recognized when the customer receives the product, rather than when the initial deposit is paid. The cumulative effect of the change was a $1 million after-tax charge, or $0.01 per diluted share. The impact on each of the quarters in 2000 was not material.

Revenue was restated in the fourth quarter of 2000, in accordance with Emerging Issues Task Force Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs," to include shipping and handling fees for all periods presented. Shipping and handling fees of $7 million were reclassified to sales from selling, general and administrative expenses for the first quarter of 2000 and the associated costs of $5 million were reclassified from selling, general and administrative expenses to cost of sales.

Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss comprised foreign currency translation adjustments of $48 million, $155 million, and $41 million at May 5, 2001, April 29, 2000 and February 3, 2001, respectively. As of May 5, 2001, accumulated other comprehensive loss also reflected a $1 million gain reflecting the fair value of derivatives, in accordance with the adoption of SFAS No. 133. Accumulated other comprehensive loss included a minimum pension liability adjustment of $2 million at April 29, 2000.

Discontinued Operations

On January 23, 2001, the Registrant announced that it was exiting its 694 store Northern Group segment. The Registrant is in the process of liquidating the 324 stores in the United States and is attempting to sell the 370 stores in Canada. The Registrant recorded a charge to earnings of $252 million before-tax, or $294 million after-tax, in the fourth quarter of 2000 for the loss on disposal of the segment. Major components of the charge included expected cash outlays for lease buyouts and real estate disposition costs of $68 million, severance and personnel related costs of $23 million and operating losses and other exit costs from the measurement date through the expected date of disposal of $24 million. Non-cash charges included the realization of a $118 million currency translation loss, resulting from the movement in the Canadian dollar during the period the Registrant held its investment in the segment and asset write-offs of $19 million. The Registrant also recorded a tax benefit for the liquidation of the Northern U.S. stores of $42 million, which was offset by a valuation allowance of $84 million to reduce the deferred tax assets related to the Canadian operations to an amount that is more likely than not to be realized.

In the first quarter of 2001, the Registrant recorded a tax benefit of $5 million as a result of the implementation of tax planning strategies related to the discontinuance of the Northern Group. Net disposition activity of $25 million in the first quarter of 2001 included operating losses of $17 million, a $3 million interest expense allocation based on intercompany debt balances, severance of $1 million and other costs of $4 million. Of the remaining reserve balance of $90 million at May 5, 2001, $44 million is expected to be utilized within twelve months and the remaining $46 million thereafter. The net loss from discontinued operations for the thirteen weeks ended April 29, 2000, includes sales of $70 million and a $1 million interest expense allocation based on intercompany debt balances.

In 1998, the Registrant exited both its International General Merchandise and Specialty Footwear segments. In 1997, the Registrant announced that it was exiting its Domestic General Merchandise segment. The remaining reserve balances totaled $33 million as of May 5, 2001, $11 million of which is expected to be utilized within twelve months.

Disposition activity related to the reserves is presented below:

NORTHERN GROUP
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
Real estate & lease liabilities	$ 68	$--	$ 68
Severance & personnel	23	(1)	22
Operating losses & other costs	24	(24)	--
Total	$115	$(25)	$ 90

INTERNATIONAL GENERAL MERCHANDISE
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
The Bargain Shop!	$7	$ --	$7

SPECIALTY FOOTWEAR
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
Real estate & lease liabilities	$ 9	$(1)	$ 8
Operating losses & other costs	3	--	3
Total	$12	$(1)	$11

DOMESTIC GENERAL MERCHANDISE
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
Real estate & lease liabilities	$16	$(2)	$14
Inventory liquidation & other costs	2	(1)	1
Total	$18	$(3)	$15

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

(in millions)	NORTHERN GROUP	INTERNATIONAL GENERAL MERCHANDISE	SPECIALTY FOOTWEAR	DOMESTIC GENERAL MERCHANDISE	TOTAL
5/5/2001					
Assets	$ 77	$--	$ 2	$ 9	$ 88
Liabilities	27	--	1	2	30
Net assets of discontinued operations	$ 50	$--	$ 1	$ 7	$ 58
4/29/2000					
Assets	$ 98	$ 5	$ 4	$ 11	$118
Liabilities	55	2	1	4	62
Net assets of discontinued operations	$ 43	$ 3	$ 3	$ 7	$ 56
2/3/2001					
Assets	$ 64	$--	$ 3	$ 8	$ 75
Liabilities	33	--	1	4	38
Net assets of discontinued operations	$ 31	$--	$ 2	$ 4	$ 37

=====	==========	========	==========	=====

The Northern Group's assets comprise inventory, fixed assets and other current assets. The Northern Group's liabilities comprise accounts payable, restructuring reserves and other accrued liabilities. The assets of the Specialty Footwear and Domestic General Merchandise segments consist primarily of fixed assets and deferred tax assets and liabilities reflect accrued liabilities.

Restructuring Programs

1999 Restructuring

Total restructuring charges of $96 million before-tax were recorded in 1999 for the Registrant's restructuring program. In the second quarter of 1999, the Registrant announced its plan to sell or liquidate eight non-core businesses: The San Francisco Music Box Company, Randy River Canada, Foot Locker Outlets, Colorado, Team Edition, Going to the Game!, Weekend Edition and Burger King franchises. In the fourth quarter of 1999, the Company announced a further restructuring plan, which included an accelerated store closing program in the United States and Asia, corporate headcount reduction and a distribution center shutdown.

In the first quarter of 2000, the Registrant recorded an additional restructuring charge of $5 million related to its non-core businesses. Throughout 2000, the disposition of Randy River Canada, Foot Locker Outlets, Colorado, Going to the Game!, and Weekend Edition and the accelerated store closing programs were essentially completed. In the third quarter of 2000, management decided to continue to operate Team Edition as a manufacturing business, primarily as a result of the resurgence of the screen print business.

In connection with the disposition of several of its non-core businesses, the Registrant reduced sales support and corporate staff by over 30 percent, reduced divisional staff and consolidated the management of Kids Foot Locker and Lady Foot Locker into one organization. As of May 5, 2001, 6 of the originally planned 400 positions have yet to be eliminated. In addition, the Registrant closed its Champs Sports distribution center in Maumelle, Arkansas and consolidated its operations with the Foot Locker facility located in Junction City, Kansas. In the first quarter of 2000, the Registrant recorded a reduction to the corporate reserve of $5 million, which related to the agreement to sublease its Maumelle distribution center and sell the associated fixed assets, which had been impaired in 1999, for proceeds of approximately $3 million.

The remaining reserve balance at May 5, 2001 totaled $10 million, $9 million of which is expected to be utilized within twelve months. Disposition activity related to the reserves is presented below:

NON-CORE BUSINESSES
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
Real estate	$ 4	$(1)	$ 3
Severance	2	--	2
Other disposition costs	3	--	3
Total	$ 9	$(1)	$ 8

CORPORATE OVERHEAD AND LOGISTICS
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
Severance	$2	$ --	$2

TOTAL RESTRUCTURING RESERVES
(in millions)

	Balance 2/3/2001	Net Usage	Balance 5/5/2001
Real estate	$ 4	$(1)	$ 3
Severance	4	--	4
Other disposition costs	3	--	3
Total	$11	$(1)	$10

Included in the consolidated results of operations are sales of $17 million and $28 million and operating losses of $3 million and $7 million for the first quarter of 2001 and 2000, respectively, for the above non-core businesses and under-performing stores, excluding Team Edition.

Inventory, fixed assets and other long-lived assets of all businesses to be exited have been valued at the lower of cost or net realizable value. These assets, totaling $32 million, $46 million and $31 million, have been reclassified as assets held for disposal in the Consolidated Balance Sheets as of May 5, 2001, April 29, 2000 and February 3, 2001, respectively. The assets of Team Edition have not been reflected as assets held for disposal as of May 5, 2001 and February 3, 2001 as management has decided to retain its operations.

1993 Repositioning and 1991 Restructuring

In the first quarter of 2001, disposition activity reduced the reserve balance by approximately $2 million. The remaining reserve balance of $4 million comprises future lease obligations of $3 million and other facilities-related costs of $1 million.

Segment Information

Sales and operating results for the Registrant's reportable segments for the thirteen weeks ended May 5, 2001 and April 29, 2000, respectively, are presented below. Operating results reflect income from continuing operations before income taxes, excluding corporate expense, corporate gains and net interest expense.

Sales:

(in millions)	Thirteen weeks ended	
	May 5, 2001	April 29, 2000
Global Athletic Group:		
Retail stores	$ 977	$ 962
Direct to Customers	78	64
	1,055	1,026
All Other (1)	17	18
Total sales	$ 1,072	$ 1,044

Operating Results:

(in millions)	Thirteen weeks ended	
	May 5, 2001	April 29, 2000
Global Athletic Group:		
Retail Stores	$ 73	$ 64
Direct to Customers	4	(3)
	77	61
All Other (1)	(3)	(9)
Operating profit	74	52
Corporate expense, net (2)	17	6
Interest expense, net	4	8
Income from continuing operations before income taxes	$ 53	$ 38

(1) All formats presented as "All Other" were either disposed or held for disposal at May 5, 2001. First quarter 2000 includes a restructuring charge of $5 million.

(2) First quarter 2000 includes a $5 million reduction of the 1999 restructuring charge.

Earnings Per Share

Basic earnings per share is computed as net earnings 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 outstanding assuming dilution follows:

(in millions)	Thirteen weeks ended May 5, 2001	April 29, 2000
Weighted-average common shares outstanding	138.6	137.6
Incremental common shares issuable	1.1	0.9
Weighted-average common shares outstanding assuming dilution	139.7	138.5

Options to purchase 3.9 million shares of common stock with an exercise price greater than the average market price which were outstanding at May 5, 2001, were not included in the computation of diluted earnings per share.

Subsequent Event

On May 30, 2001, the Registrant announced that it intends to offer, subject to market conditions, approximately $125 million of subordinated convertible notes due 2008 ($150 million if an option for an additional $25 million is exercised in full). The notes will be convertible into the Registrant's common stock at the option of the holder, at a conversion price of $15.806 per share. The offering closed on June 8, 2001. The net proceeds of the proposed offering will be used for working capital and general corporate purposes and to reduce reliance on bank financing. Simultaneously with this offering, the Registrant amended and restated its $300 million revolving credit agreement to a reduced $190 million three-year facility.

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, Foot Locker Outlets, Going To The Game!, Randy River Canada, Burger King franchises and Foot Locker Asia. As discussed in the footnotes to the Condensed Consolidated Financial Statements, the Registrant discontinued its Northern Group segment in the fourth quarter of 2000. Accordingly, prior year financial statements have been restated to present this business segment as a discontinued operation.

RESULTS OF OPERATIONS

Sales of $1,072 million for the first quarter of 2001 increased 2.7 percent from sales of $1,044 million for the first quarter of 2000. The increase was primarily attributable to the improved sales performance of ongoing formats, offset, in part, by the reduction in sales associated with those businesses disposed and held for disposal. Excluding the effect of foreign currency fluctuations and sales from businesses disposed and held for disposal, sales increased 5.0 percent as compared with the corresponding prior-year period, reflecting an increase of 4.8 percent in comparable-store sales.

Gross margin, as a percentage of sales, of 30.4 percent in the first quarter of 2001 improved slightly as compared with 29.8 percent in the corresponding prior-year period. This improvement reflects management's continued initiatives with regard to effective merchandising and promotional activity.

Selling, general and administrative expenses ("SG&A") of $231 million decreased by approximately 130 basis points, as a percentage of sales, to 21.5 percent in the first quarter of 2001 as compared with 22.8 percent in the corresponding prior-year period. This decline reflects the operating efficiencies achieved by the ongoing store-base as a result of previous cost-cutting initiatives and restructuring programs. For the first quarter of 2000, SG&A included one-time Internet costs of approximately $4 million related to website development.

Interest expense of $8 million for the thirteen weeks ended May 5, 2001 declined by 27.3 percent as compared with $11 million for the corresponding prior-year period. This decrease reflects both the reduction in long-term debt associated with the repayment of the $200 million 7.0 percent debentures in June 2000, and the fact that there were no short-term borrowings outstanding for the entire first quarter of 2001. Interest income amounted to $4 million and $3 million, respectively, for the thirteen weeks ended May 5, 2001 and April 29, 2000 and included intercompany interest income related to the Northern Group segment of $3 million and $1 million, respectively. The offsetting interest expense was included in the loss from discontinued operations through the measurement date for 2000 and subsequently, in 2001, was charged to the reserve for discontinued operations.

Income from continuing operations of $32 million or $0.23 per diluted share for the thirteen weeks ended May 5, 2001, increased by 39.1 percent, or $0.06 per diluted share, as compared with the corresponding prior-year period. The Registrant recorded a tax benefit of $5 million, or $0.04 per diluted share, as a result of the implementation of tax planning strategies related to the disposal of the Northern Group segment in the first quarter of 2001. For the thirteen weeks ended April 29, 2000, the Registrant reported net income of $13 million, or $0.10 per diluted share, which included a loss from discontinued operations of $9 million, or $0.06 per diluted share, and a $1 million after-tax expense, or $0.01 per diluted share, from the cumulative effect of an accounting change.

STORE COUNT

The following table summarizes store count by segment, after reclassification for businesses disposed and held for disposal. During the thirteen weeks ended May 5, 2001, the Registrant remodeled or relocated 28 stores.

	February 3, 2001	Opened	Closed	May 5, 2001	April 29, 2000
Global Athletic Group	3,582	11	34	3,559	3,659
Disposed and held for disposal	170	12	3	179	184
Total	3,752	23	37	3,738	3,843

SALES

The following table summarizes sales by segment, after reclassification for businesses disposed and held for disposal.

(in millions)	Thirteen weeks ended May 5, 2001	April 29, 2000
Global Athletic Group:		
Retail Stores	$ 977	$ 962
Direct to Customers	78	64
	1,055	1,026
Disposed and held for disposal	17	18
Total sales	$1,072	$1,044

Global Athletic Group sales increased by 2.8 percent as compared with the corresponding prior-year period, reflecting a comparable-store sales increase of 4.8 percent. Sales from ongoing retail store formats increased 1.6 percent, reflecting stronger sales performance in most formats, driven predominantly by Foot Locker Europe and Champs Sports. Footwear product drove the strong sales performance, particularly new marquee and exclusive athletic footwear lines, and apparel, both branded and private label contributed to incremental sales. Direct to Customers sales increased by 21.9 percent for the thirteen weeks ended May 5, 2001 compared with the corresponding prior-year period. Internet sales more than doubled to $21 million for the first quarter of 2001 and catalog sales increased by 5.6 percent to $57 million, compared with the first quarter of 2000.

OPERATING RESULTS

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

(in millions)	Thirteen weeks ended May 5, 2001	April 29, 2000
Global Athletic Group:		
Retail Stores	$ 73	$ 66
Direct to Customers	4	(3)
	77	63
Disposed and held for disposal	(3)	(6)
Restructuring charges	--	(5)
Total operating profit	$ 74	$ 52

The Global Athletic Group reported an increase in operating profit of 22.2 percent to $77 million for the thirteen weeks ended May 5, 2001 as compared with $63 million for the first quarter of the corresponding prior-year period. Operating profit from ongoing retail stores for the first quarter of 2001 increased by 10.6 percent from the corresponding prior-year period. This increase reflects improved sales, gross margin rate and operating expense efficiencies, as operating profit, as a percentage of sales, increased from 6.9 percent in the first quarter of 2000 to 7.5 percent in the first quarter of 2001. Direct to Customers operating results improved from a loss of $3 million in the first quarter of 2000, which included one-time Internet development and marketing costs of approximately $4 million, to a profit of $4 million in the first quarter of 2001.

In the first quarter of 2000, a further restructuring charge of $5 million was recorded related to the disposition of the remaining businesses in the 1999 restructuring program.

LIQUIDITY AND CAPITAL RESOURCES

Generally, the Registrant's primary sources of cash have been from operations, borrowings under the revolving credit agreement and proceeds from the sale of non-strategic assets. As noted below, on June 8, 2001, the Registrant also raised at least $125 million in cash through the issuance of subordinated convertible notes. The Registrant generally finances real estate with operating leases. The principal use of cash has been to finance inventory requirements, capital expenditures related to store openings, store remodelings and management information systems, and to fund other general working capital requirements.

Net cash used in operating activities of continuing operations increased to $34 million for the thirteen weeks ended May 5, 2001, as compared with $7 million in the corresponding prior-year period. These amounts reflect the income from continuing operations reported by the Registrant in those periods, adjusted for non-cash items and working capital changes. The increase in merchandise inventories and accounts payable is in line with the Registrant's increased sales volume. Merchandise inventories of $786 million at May 5, 2001 increased by $56 million from February 3, 2001. Included in the cash flow from operations for the thirteen weeks ended May 5, 2001 and April 29, 2000 were cash payments of $3 million and $16 million, respectively, relating to the Registrant's restructuring programs.

Net cash used in investing activities of continuing operations of $12 million and $15 million for the thirteen weeks ended May 5, 2001 and April 29, 2000, respectively, primarily reflected capital expenditures. Planned capital expenditures of $150 million for 2001 comprise $110 million for new store openings and remodeling of existing stores, and $40 million for management information systems, logistics and other support facilities.

Financing activities for the Registrant's continuing operations utilized cash of $71 million for the first quarter of 2000 compared with cash provided by financing activities of $1 million for the first quarter of 2001. There were no short-term borrowings outstanding for the entire first quarter of 2001, whereas outstanding borrowings under the Registrant's revolving credit agreement amounted to $101 million at April 29, 2000, an increase of $30 million for the first quarter of 2000. In addition, during the first quarter of 2000, the Registrant purchased $12 million of its $200 million 7.0 percent debentures and set aside $90 million restricted cash to fund the repayment of the remaining balance, as required by the revolving credit agreement. On May 30, 2001, the Registrant announced that it intends to offer, subject to market conditions, approximately $125 million of subordinated convertible notes due 2008 ($150 million if an option for an additional $25 million is exercised in full). The notes will be convertible into the Registrant's common stock at the option of the holder, at a conversion price of $15.806 per share. The offering closed on June 8, 2001. The net proceeds of the proposed offering will be used for working capital and general corporate purposes and to reduce reliance on bank financing. Simultaneously with this offering, the Registrant amended and restated its $300 million revolving credit agreement to a reduced $190 million three-year facility.

Net cash used in discontinued operations includes the Northern Group loss from discontinued operations in 2000, the change in assets and liabilities of the discontinued segments and disposition activity charged to the reserves for both periods presented.

IMPACT OF EUROPEAN MONETARY UNION

The European Union comprises 15 member states, 12 of which adopted a common currency, the "euro." From January 1, 1999 until January 1, 2002, the transition period, the national currencies will remain legal tender in the participating countries as denominations of the euro. Monetary, capital, foreign exchange and interbank markets have converted to the euro, and non-cash transactions are possible in euros. On January 1, 2002, euro bank notes and coins will be issued and the former national currencies will be withdrawn from circulation no later than February 28, 2002.

The Registrant has substantially completed the necessary modifications to its information systems, accounting systems, vendor payments and human resource systems. Plans to upgrade or modify the point of sale hardware and software are in progress and will be finalized throughout the remainder of 2001.

The adoption of a single European currency will lead to greater product pricing transparency and a more competitive environment. The Registrant currently displays the euro equivalent price of merchandise, as do many retailers. The euro conversion is not expected to have a significant effect on the Registrant's results of operations or financial condition.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of the federal securities laws. All statements, other than statements of historical facts, which address activities, events or developments that the Registrant expects or anticipates will or may occur in the future, including, but not limited to, such things as future capital expenditures, expansion, strategic plans, growth of the Registrant's business and operations and euro related actions and other such matters are forward-looking statements. These forward-looking statements are based on many assumptions and factors including, but not limited to, customer demand, fashion trends, competitive market forces, uncertainties related to the effect of competitive products and pricing, customer acceptance of the Registrant's merchandise mix and retail locations, economic conditions worldwide, effects of currency fluctuations, the ability of the Registrant to execute its business plans effectively with regard to each of its operating units, 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 euro issue. Any changes in such assumptions or factors could produce significantly different results. The Registrant undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

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 significant effect on the Registrant's consolidated financial position, liquidity, 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 16 through 18. The exhibits that are in this report immediately follow the index.

(b) Reports on Form 8-K

The Registrant filed no reports on Form 8-K during the quarter ended May 5, 2001.

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: June 13, 2001

/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 1/2% Debentures due 2022 (incorporated herein by reference to Exhibit 4 to the Registrant's Form 8-K dated January 16, 1992).
4.6	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	By-laws, amended as of April 11,2001.
10.2	Employment Agreement with Matthew D. Serra dated as of February 12, 2001.
10.3	Restricted Stock Agreement with Matthew D. Serra dated as of March 4, 2001.
10.4	Amendment to Trust Agreement dated as of November 12, 1987.
10.5	Amendment to form of Indemnification Agreement.
10.6	Nonstatutory Stock Option Agreement with J. Carter Bacot dated as of February 12, 2001.
11	*
12	Computation of Ratio of Earnings to Fixed Charges.
13	*
15	Letter re: Unaudited Interim Financial Statements.

20

Exhibit No. in Item 601 of Regulation S-K	Description
16	*
17	*
18	*
19	*
20	*
21	*
22	*
23	*
24	*
25	*
26	*
99	Independent Accountants' Review Report.

- ---

* Not applicable

Exhibits filed with this Form 10-Q:

Exhibit No.	Description
10.1	By-laws, amended as of April 11, 2001.
10.2	Employment Agreement with Matthew D. Serra dated as of February 12, 2001.
10.3	Restricted Stock Agreement with Matthew D. Serra dated as of March 4, 2001.
10.4	Amendment to Trust Agreement dated as of November 12, 1987.
10.5	Amendment to form of Indemnification Agreement.
10.6	Nonstatutory Stock Option Agreement with J. Carter Bacot dated as of February 12, 2001.
12	Computation of Ratio of Earnings to Fixed Charges.
15	Letter re: Unaudited Interim Financial Statements.
99	Independent Accountants' Review Report.

EXHIBIT 10.1

BY-LAWS

OF

VENATOR GROUP, INC.

Amended as of April 11, 2001

INDEX

BY-LAWS

OF

VENATOR GROUP, INC.

ARTICLE I

MEETINGS OF SHAREHOLDERS

SECTION 1. Any meeting of the shareholders may be held at such place within or without the United States, and at such hour, as shall be fixed by the Board of Directors and stated in the notice of meeting, or, if not so fixed, at the office of the Corporation in the State of New York at 10:00 A.M.

SECTION 2. The annual meeting of shareholders shall be held on such day and at such time as may be fixed by the Board of Directors for the election of directors and the transaction of other business.

SECTION 3. A special meeting of the shareholders may be held whenever called in writing by the Secretary upon the direction of the Chairman of the Board, a Vice Chairman of the Board, the President, the Chief Executive Officer, or a majority of the entire Board of Directors. At any such special meeting only such business may be transacted which is related to the purpose or purposes set forth in the notice required by Section 5 of Article I.

A special meeting may be cancelled by resolution of the Board of Directors.

SECTION 4. For the purpose of determining the shareholders entitled to notice of, or to vote at, any meeting of shareholders or any adjournment thereof, the Board of Directors may fix, in advance, a date as the record date for such determination of shareholders. Such date shall not be more than 60 nor less than 10 days before the date of such meeting. When a determination of shareholders of record entitled to notice of, or to vote at, any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

SECTION 5. Notice of any meeting of shareholders may be written or electronic. The notice shall state the place, date and hour of any meeting of shareholders and, unless it is the annual meeting, shall indicate that it is being issued by, or at the direction of, the person or persons calling the meeting. Notice of a special meeting shall also state the

purpose or purposes for which the meeting is called. If, at any meeting, action is proposed to be taken which would, if taken, entitle shareholders to demand payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect. Notice of any meeting shall be given, not more than 60 nor less than 10 days before the date of the meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice is given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at his or her address as it appears on the record of shareholders, or, if he or she shall have filed with the Secretary a written request that notices be mailed to some other address, then such notice shall be directed to him or her at such other address. If transmitted electronically, such notice is given when directed to the shareholder's electronic mail address as supplied by the shareholder to the Secretary or as otherwise directed pursuant to the shareholder's authorization or instructions. An affidavit of the Secretary or other person giving the notice or of a transfer agent of the Corporation that the notice required by this section has been given shall, in the absence of fraud, be prima facie evidence of the facts therein stated.

When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date.

SECTION 6. A list of shareholders as of the record date, certified by the officer of the Corporation responsible for its preparation or by a transfer agent of the Corporation, shall be produced at any meeting of shareholders upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors, or person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

SECTION 7. The holders of a majority of the votes of shares entitled to vote thereat shall constitute a quorum at a meeting of shareholders for the transaction of any business. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholder. The shareholders present may adjourn the meeting despite the absence of a quorum.

SECTION 8. Every shareholder entitled to vote at a meeting of shareholders may authorize another person or persons to act for him or her by proxy executed in writing (or in such manner permitted by law) by the shareholder or his or her attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by the New York Business Corporation Law.

SECTION 9. At all meetings of shareholders the Chairman of the Board shall preside; and in his or her absence a Vice Chairman of the Board, the President or such other officer or director as may be appointed by the Board of Directors shall preside; and in the absence of any such officer, a chairman appointed by the shareholders present shall preside. The Secretary or an Assistant Secretary shall act as secretary at all meetings of the shareholders, but in the absence of the Secretary or an Assistant Secretary the presiding officer may appoint any person to act as secretary of such meeting.

SECTION 10. The Board of Directors, in advance of any meeting of shareholders, shall appoint one or more inspectors to act at the meeting or at any adjournment thereof. If inspectors are not so appointed or if such persons are unable to act at the meeting, the person presiding at the meeting shall appoint one or more inspectors. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability.

SECTION 11. The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder entitled to vote thereat, the inspectors shall make a report, in writing, of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

SECTION 12. Every shareholder of record shall be entitled at every meeting of shareholders to one vote for every share standing in his or her name on the record date on the record of shareholders.

SECTION 13. (1) At any annual meeting of shareholders, only such business shall be transacted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting given by or at the direction of the Board of Directors (including, if so specified, any shareholder proposal submitted pursuant to the rules and regulations of the Securities and Exchange Commission), (ii) otherwise brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the meeting in accordance with the procedure set forth in the following paragraph, by a shareholder of the Corporation entitled to vote at such meeting.

For business to be brought by a shareholder before an annual meeting of shareholders pursuant to clause (iii) above, the shareholder must have given written notice thereof to the Secretary of the Corporation, such notice to be received at the principal executive offices of the Corporation not less than 90 nor more than 120 calendar days prior

- ----------

(1) AMENDED EFFECTIVE 7/1/01.

to the one-year anniversary of the date of the annual meeting of shareholders for the previous year; provided, however, that if the annual meeting of shareholders is called for a date that is not within 30 days before or after such anniversary date, notice by the shareholder must be received at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which the Corporation's notice of the date of meeting is first given or made to the shareholders or disclosed to the general public (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), whichever occurs first. A shareholder's notice to the Secretary shall set forth, as to each matter the shareholder proposes to bring before the annual meeting, (i) a brief description of the business proposed to be brought before the annual meeting and of the reasons for bringing such business before the annual meeting and, if such business includes a proposal to amend either the Certificate of Incorporation or these By-laws, the text of the proposed amendment, (ii) the name and record address of the shareholder proposing such business, (iii) the number of shares of each class of stock of the Corporation that are beneficially owned by such shareholder, (iv) any material interest of the shareholder in such business being proposed, and (v) such other information relating to the proposal that is required to be disclosed in solicitations pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission or other applicable law.

Notwithstanding anything in these By-laws to the contrary, no business shall be conducted at an annual meeting of shareholders except in accordance with the procedures set forth in this Section 13; provided, however, that nothing in this Section 13 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting of shareholders in accordance with such procedures and any rules of order established by the chairman of the meeting of shareholders. The chairman of the meeting of shareholders shall, if the facts warrant, determine and declare at the meeting that the business was not properly brought before the meeting in accordance with the provisions of this Section 13, and, if he should so determine, he shall so declare to the meeting that any such business not properly brought before the annual meeting shall not be transacted.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. The number of directors constituting the entire Board of Directors shall be not less than 9 or more than 17, the exact number of directors to be determined from time to time by resolution adopted by a majority of the entire Board of Directors. At each annual meeting of shareholders, directors shall be elected to hold office by a plurality of the votes cast.

SECTION 2. (2) Nominations for election to the Board of Directors of the Corporation at a meeting of shareholders may be made by the Board of Directors, on behalf of the Board of Directors by any nominating committee appointed by such Board, or

- ----------
(2) AMENDED EFFECTIVE 7/1/01.

by any shareholder of the Corporation entitled to vote for the election of directors at such meeting. Such nominations, other than those made by or on behalf of the Board of Directors, shall be made by notice in writing delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation, and received by the Secretary not less than 90 nor more than 120 calendar days prior to the one-year anniversary of the date of the annual meeting of shareholders for the previous year; provided, however, that if the annual meeting of shareholders is called for a date that is not within 30 days before or after such anniversary date, notice by the shareholder must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which the Corporation's notice of the date of meeting is first given or made to the shareholders or disclosed to the general public (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), whichever occurs first. Each such notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination, (b) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (c) the principal occupation or employment of each proposed nominee, (d) the number of shares of stock of the Corporation which are beneficially owned by each such proposed nominee and by the nominating shareholder, (e) any other information concerning the proposed nominee that must be disclosed of nominees in proxy solicitations for elections of directors pursuant to the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission or other applicable law, and (f) the executed consent of each proposed nominee to serve as director of the Corporation if so elected, together with an undertaking, executed by such proposed nominee, to furnish to the Corporation any information it may request upon the advice of counsel for the purpose of determining such proposed nominee's eligibility to serve as a director.

The chairman of the meeting of shareholders may, if the facts warrant, determine that a nomination was not made in compliance with the foregoing procedures, and if the chairman should so determine, the chairman shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 3. The Board of Directors or any committee thereof may hold its meetings in such place or places within or without the State of New York as the Board of Directors may, from time to time, determine. Any one or more or all of the members of the Board of Directors, or any committee thereof, may participate in any meeting of the Board or of any committee thereof by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

SECTION 4. Regular meetings of the Board of Directors shall be held in accordance with the schedule adopted each year by the Board of Directors, or on such other day or at such other time or place as the Board of Directors may, from time to time, determine. No notice shall be required for any such regular meeting of the Board of Directors; provided, however, that the Secretary shall forthwith give notice of any change

in the place, day or time for holding regular meetings of the Board of Directors by mailing a notice thereof to each director.

SECTION 5. At the first meeting of the Board of Directors held after each annual meeting of shareholders, the Board shall (a) elect the executive officers of the Corporation, such executive officers to hold office until the first meeting of the Board of Directors following the next annual meeting of the shareholders, and (b) designate an Executive Committee and such other committees as the Board of Directors deems appropriate.

SECTION 6. Special meetings of the Board of Directors shall be held whenever called by direction of the Chairman of the Board, a Vice Chairman of the Board, the President, the Chief Executive Officer or a majority of the entire Board.

SECTION 7. Any notice of a meeting of directors required to be given shall be mailed to each director at least two days before the day on which such meeting is to be held, or shall be sent by telegraph, telex, cable, wireless, telecopy or electronic mail, or be delivered personally or by telephone, at least 24 hours before the time at which such meeting is to be held. Notice need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice.

SECTION 8. A notice, or waiver of notice, need not specify the purpose (other than to amend these By-laws) of any regular or special meeting of the Board of Directors.

SECTION 9. At all meetings of the Board of Directors, the Chairman of the Board, a Vice Chairman of the Board, the President, or such other officer or director as may be appointed by the Board, shall preside.

SECTION 10. One-third of the entire Board of Directors shall constitute a quorum for the transaction of business. Except as otherwise provided in these By-laws, the vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board of Directors. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of any meeting of the Board of Directors to another time or place shall be given to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

ARTICLE III

COMMITTEES

SECTION 1. The Board of Directors, by resolution adopted by a majority of the entire Board, may designate not less than three of its members who, with the Chairman of the Board, shall constitute an Executive Committee. During intervals between meetings of the Board of Directors, the Executive Committee shall possess, and may exercise, all of the powers of the Board (except as otherwise provided in this Article III) in the management

of the business of the Corporation, in all cases in which specific directions shall not have been given by the Board of Directors.

SECTION 2. The Chairman of the Board shall be the chairman of the Executive Committee, and the Secretary of the Corporation shall be the secretary of such committee, or in his or her absence any Assistant Secretary who shall have been designated by the Board of Directors to perform the duties of the Secretary. All acts and resolutions of the Executive Committee shall be recorded in the minute book and reported to the Board of Directors at its next succeeding regular meeting and shall be subject to the approval of, or revision by, the Board, but no acts or rights of third parties shall be affected by any such revision. The presence of a majority of the members of the Executive Committee shall be necessary to constitute a quorum. The affirmative vote of a majority of the members of the Executive Committee shall be necessary for the adoption of any resolution. The members of the Executive Committee who are not full-time employees of the Corporation shall receive such compensation for their services as shall, from time to time, be fixed by the Board.

SECTION 3. The Board of Directors, by resolution adopted by a majority of the entire Board, may appoint a Compensation and Management Resources Committee consisting of three or more directors who are not employees of the Corporation. All compensation paid or payable to officers of the Corporation shall be fixed by the Compensation and Management Resources Committee.

SECTION 4. From time to time the Board of Directors, by resolution adopted by a majority of the entire Board, may appoint any other committee or committees, each consisting of three or more directors or officers, with such powers as shall be specified in the resolution of appointment.

SECTION 5. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent member or members at any meeting of such committee.

SECTION 6. Each committee shall serve at the pleasure of the Board of Directors. The designation of any such committee and the delegation thereto of authority shall not alone relieve any director of his or her duty to the Corporation under the New York Business Corporation Law.

SECTION 7. No committee shall have authority as to the following matters:

(a) The submission to shareholders of any action that needs shareholders' approval under the New York Business Corporation Law;

(b) The filling of vacancies in the Board of Directors or in any committee;

(c) The fixing of compensation of the directors for serving on the Board of Directors or on any committee;

(d) The amendment or repeal of any By-law, or the adoption of any new By-law; or

(e) The amendment or repeal of any resolution of the Board of Directors which, by the terms of such resolution, shall not be so amendable or repealable.

SECTION 8. Subject to any requirements of these By-laws, each committee shall establish its own organization, fix its own rules of procedure and meet as ordered by the Board of Directors.

ARTICLE IV

OFFICERS

SECTION 1. The officers of the Corporation shall be elected by the Board of Directors, and may consist of a Chairman of the Board, a Chief Executive Officer, a President, a Chief Operating Officer, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more other Vice Presidents, a Chief Accounting Officer, a Treasurer and a Secretary. The Board of Directors may also elect, as an officer of the Corporation, one or more Vice Chairmen of the Board. The Board of Directors may appoint one or more Assistant Treasurers or Assistant Secretaries and such other officers as shall be deemed necessary, who shall perform such duties as may, from time to time, be prescribed by the Board of Directors. Any two or more offices may be held by the same person, and no officer, except the Chairman of the Board need be a director.

All officers elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the entire Board. All other officers, agents and employees shall hold office at the discretion of the committee or of the officer appointing them. The removal of an officer without cause shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not, of itself, create contract rights.

The Board of Directors may require any officer to give security for the faithful performance of his or her duties.

CHAIRMAN OF THE BOARD

SECTION 2. The Chairman of the Board shall preside at all meetings of shareholders, the Board of Directors, and the Executive Committee. He or she shall perform all duties and hold all positions prescribed by these By-laws and shall perform such other duties as may be assigned to him or her by the Board.

VICE CHAIRMEN OF THE BOARD

SECTION 3. Vice Chairmen of the Board shall perform all duties and hold all positions prescribed by these By-laws and shall have such other powers and shall perform such other duties as may be assigned them by the Board. In case of the absence or disability of the Chairman of the Board, the duties of the office of Chairman of the Board shall be performed by a Vice Chairman of the Board, unless and until the Board of Directors shall otherwise direct.

PRESIDENT

SECTION 4. The President shall perform all duties and hold all positions prescribed by these By-laws and shall have such other powers and shall perform such other duties as may be assigned to him or her by the Board. In case of the absence or disability of the Chairman of the Board and any Vice Chairman of the Board, the duties of the office of Chairman of the Board shall be performed by the President unless and until the Board of Directors shall direct otherwise.

CHIEF EXECUTIVE OFFICER

SECTION 5. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall perform all duties and hold all positions prescribed by these By-laws and shall perform all other duties incidental to such office. He or she shall keep the Chairman of the Board and the Board of Directors fully informed and shall freely consult with the Chairman of the Board and the Board of Directors concerning the business of the Corporation.

CHIEF OPERATING OFFICER

SECTION 6. The Chief Operating Officer shall be the chief operating officer of the Corporation, and shall perform all duties and hold all positions prescribed by these By-laws and shall have such other powers and shall perform such other duties as may be assigned to him or her by the Board.

EXECUTIVE VICE PRESIDENTS,
SENIOR VICE PRESIDENTS
AND
OTHER VICE PRESIDENTS

SECTION 7. Each Executive Vice President, each Senior Vice President and each other Vice President shall have such powers and shall perform such duties as may be assigned to him or her by the Board of Directors.

CHIEF ACCOUNTING OFFICER

SECTION 8. The Chief Accounting Officer shall be the principal accounting officer of the Corporation and shall be designated the "principal accounting officer" for purposes for the Corporation's filings with the Securities and Exchange Commission. He or she shall be responsible for the systems of financial control, the maintenance of accounting records, the preparation of the financial statements of the Corporation. He or she shall prepare and submit regular reports to the Board of Directors when and as desired. He or she shall perform all duties incident to the office of Chief Accounting Officer and such additional duties as may be assigned to him or her by the Board of Directors, the Chairman of the Board, a Vice Chairman of the Board, the President, the Chief Executive Officer, or the Chief Operating Officer.

TREASURER

SECTION 9. The Treasurer shall have the custody of all the funds and securities of the Corporation; and he or she may endorse on behalf of the Corporation for collection all checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such banks or depositories as the Board of Directors may designate. He or she may sign vouchers, receipts, checks, drafts, notes and orders for the payment of money and may pay out and dispose of the same under the direction of the Board of Directors, the Chairman of the Board, a Vice Chairman of the Board, the President, the Chief Executive Officer, or the Chief Operating Officer. The Treasurer shall perform all the duties incident to the office of Treasurer and shall perform such additional duties as may be assigned to him or her by the Board of Directors, the Chairman of the Board, a Vice Chairman of the Board, the President, the Chief Executive Officer, or the Chief Operating Officer. He or she shall give such security for the faithful performance of his or her duties as the Board of Directors may determine.

SECRETARY

SECTION 10. The Secretary shall keep the minutes of all meetings of the Board of Directors, the minutes of all meetings of the shareholders, and the minutes of the proceedings of all committees of which he or she shall act as secretary, in books provided for such purpose. He or she shall have charge of the certificate books, transfer books and stock ledgers and such other books and papers as the Board of Directors may direct, all of which shall, at all reasonable times during business hours, be open to the examination of any director. The Secretary shall, in general, perform all duties incident to the office of Secretary, subject to the control of the Board of Directors.

POWERS OF OFFICERS REGULATED

SECTION 11. The Board of Directors may, from time to time, extend or restrict the powers and duties of any officer.

ARTICLE V

EXECUTION OF CONTRACTS

All contracts of the Corporation shall be executed on behalf of the Corporation by (i) any one of the Chairman of the Board, a Vice Chairman of the Board, the President, the Chief Executive Officer, the Chief Operating Officer, an Executive Vice President, a Senior Vice President, or another Vice President, (ii) such other officer or employee of the Corporation authorized in writing by the Chairman of the Board and the President, or either one of such officers together with a Senior Vice President, with such limitations or restrictions on such authority as they deem appropriate, or (iii) such other person as may be authorized by the Board of Directors, and, if required, the seal of the Corporation shall be thereto affixed and attested by the Secretary or an Assistant Secretary.

ARTICLE VI

CAPITAL STOCK

SECTION 1. The certificates for shares of the capital stock of the Corporation shall be in such form, in conformity with the Business Corporation Law, as shall be approved by the Board of Directors. All stock certificates shall be signed by the Chairman of the Board, a Vice Chairman of the Board, the President an Executive Vice President, a Senior Vice President or another Vice President, and also by the Secretary or the Treasurer, and sealed with the seal of the Corporation or a facsimile thereof; provided, however, that upon certificates countersigned by a transfer agent or registered by a registrar, the signatures of such officers of the Corporation may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer at the date of issuance of such certificate.

SECTION 2. Shares of the capital stock of the Corporation shall be transferable only on the books of the Corporation by the holder thereof in person, or by his attorney, upon surrender and cancellation of certificates for a like number of shares. The Board of Directors may, from time to time, make proper provisions for the issuance of new certificates in place of lost or destroyed certificates.

SECTION 3. The Board of Directors shall have power and authority to make all such rules and regulations as may be deemed expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation; and the Board of Directors may appoint one or more transfer agents and one or more registrars and may require all stock certificates to bear the signatures of a transfer agent and of a registrar.

SECTION 4. For the purpose of determining the shareholders entitled to receive payment of any dividend or the allotment of any rights, the Board of Directors may fix, in

advance, a date as the record date for such determination of shareholders. Such date shall not be more than 60 days prior to the date of any such payment or allotment.

ARTICLE VII

CORPORATE SEAL

The Board of Directors shall provide a suitable seal containing the name of the Corporation and the year of incorporation, which seal shall be in the charge of the Secretary.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation shall end on the Saturday closest to the last day in January of each year.

ARTICLE IX

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

SECTION 1. The Corporation shall, to the fullest extent permitted by applicable law, indemnify any person who is or was made, or threatened to be made, a party to any action or proceeding, whether civil or criminal, whether involving any actual or alleged breach of duty, neglect or error, any accountability, or any actual or alleged misstatement, misleading statement or other act or omission and whether brought or threatened in any court or administrative or legislative body or agency, including an action by, or in the right of, the Corporation to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Corporation is serving or served in any capacity at the request of the Corporation, by reason of the fact that he or she, his or her testator or intestate, is or was a director or officer of the Corporation, or is serving or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement, and expenses (including attorneys' fees, costs and charges) incurred as a result of such action or proceeding, or appeal therein; provided, however, that no indemnification shall be provided to any such person who is a director or officer of the Corporation if a judgment or other final adjudication adverse to such director or officer establishes that (a) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

SECTION 2. The Corporation may indemnify any person (including a person entitled to indemnification pursuant to Section 1) to whom the Corporation is permitted to provide indemnification or the advancement of expenses to the fullest extent permitted by applicable law, whether pursuant to rights granted pursuant to, or provided by, the New York Business Corporation Law or other rights created by (a) a resolution of shareholders, (b) a resolution of directors, or (c) an agreement providing for such indemnification, it being expressly intended that this Article IX authorizes the creation of other rights in any such manner.

SECTION 3. The Corporation shall, from time to time, reimburse or advance to any person referred to in Section 1 the funds necessary for payment of expenses incurred in connection with any action or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if a judgment or other final adjudication adverse to the director or officer establishes that (a) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (b) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

SECTION 4. Without limitation of any indemnification provided by Section 1, any director or officer of the Corporation serving (a) another corporation, partnership, joint venture or trust of which 20 percent or more of the voting power or residual economic interest is held, directly or indirectly, by the Corporation, or (b) any employee benefit plan of the Corporation or any entity referred to in clause (a), in any capacity shall be deemed to be doing so at the request of the Corporation.

SECTION 5. Any person entitled to be indemnified or to the reimbursement or advancement of expenses as a matter of right pursuant to this Article IX may elect to have the right to indemnification (or advancement of expenses) interpreted on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time indemnification is sought.

SECTION 6. The right to be indemnified or to the reimbursement or advancement of expenses pursuant to Sections 1 or 3 of this Article IX or a resolution authorized pursuant to Section 2 of this Article IX (a) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof (or of any such resolution) were set forth in a separate written contract between the Corporation and such person, (b) is intended to be retroactive and shall, to the extent permitted by law, be available with respect to events occurring prior to the adoption hereof, and (c) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto. The Corporation shall not be obligated under this Article IX (including any resolution or agreement authorized by Section 2 of this Article IX) to make any payment hereunder (or under any such resolution or agreement) to the extent the person seeking indemnification hereunder (or under any such resolution or agreement) has actually received payment (under any insurance policy, resolution, agreement or otherwise) of the amounts otherwise indemnifiable hereunder (or under any such resolution or agreement).

SECTION 7. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant to Sections 1 or 3 of this Article IX is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses of prosecuting such claim. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or shareholders) to have made a determination prior to the commencement of such action that indemnification of, or reimbursement or advancement of expenses to, the claimant is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or shareholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

ARTICLE X

AMENDMENTS

These By-laws may be amended or repealed, and any new By-law may be adopted, by vote of a majority of the entire Board of Directors at any meeting, provided written notice of the proposed amendment or repeal, or new By-law, shall have been given to each director before the meeting. Notwithstanding the foregoing sentence, the Board of Directors may not amend or repeal any By-law adopted by the shareholders. Any By-law adopted by the Board of Directors may be amended or repealed by the shareholders at any annual meeting or at any special meeting, provided notice of the proposed amendment or repeal be included in the notice of meeting.

EXHIBIT 10.2

EMPLOYMENT AGREEMENT

THIS AGREEMENT made February 12, 2001, between VENATOR GROUP, INC., a New York corporation with its principal office at 112 West 34 Street, New York, New York 10120 (the "Company") and Matthew D. Serra (the "Executive").

WHEREAS, the Executive presently serves as the President and Chief Operating Officer of the Company, pursuant to the provisions of the Employment Agreement between the Company and the Executive dated September 8, 1998, as amended by the Amending Agreement dated February 9, 2000 (the "1998 Agreement"); and

WHEREAS, the Company desires to employ Executive as its President and Chief Executive Officer, effective March 4, 2001, and Executive is willing to serve in such capacity; and WHEREAS, the Company and Executive desire to set forth the terms and conditions of such employment;

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

1. Employment and Term. The Company hereby agrees to employ Executive, and Executive hereby agrees to serve, as its President and Chief Executive Officer, subject to the terms and conditions set forth herein. The initial term of this agreement shall commence on March 4, 2001 (the "Commencement Date") and shall end on January 31, 2004, unless further extended or sooner terminated as hereinafter provided. Unless the Company notifies the Executive or the Executive notifies the Company on or before January 31, 2003, with regard to the initial term, and any January 31 of any

year thereafter, with regard to renewal terms, that the term shall not be extended, then as of such date, the term of the agreement shall be automatically extended for an additional year. The initial term of the agreement together with any renewal terms are hereinafter referred to as the "Employment Period".

2. Position and Duties. Executive shall serve as the President and Chief Executive Officer of the Company, reporting only to the Board of Directors (the "Board"). Executive shall have such responsibilities, duties and authority as are commensurate with his status as President and Chief Executive Officer as may from time to time be determined or directed by the Board. Executive shall devote substantially all of his working time and efforts to the business and affairs of the Company and its respective subsidiaries and affiliates; 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.

3. Place of Performance. In connection with his employment by the Company, Executive shall be based at the principal executive offices of the Company in the New York metropolitan area, or such other place in the United States to which the Company may hereafter relocate its principal executive offices. In the event of such relocation outside of the New York metropolitan area, the Company will pay the reasonable costs of the relocation of the principal residence of Executive, and provide such other relocation assistance as the Company then provides to its comparably situated senior executives employees.

4. Compensation. As full compensation for the services of Executive hereunder, and subject to all of the provisions hereof:

(a) During the Employment Period, the Company shall pay Executive a base salary at such rate per year as may be fixed by the Compensation Committee of the Board of Directors from time to time, but in no event at a rate of less than $1,200,000 per year, to be paid in substantially equal monthly installments, in accordance with the normal payroll practices of the Company (the "Base Salary").

(b) During the Employment Period, Executive shall be entitled to participate in all bonus, incentive, and equity plans that are maintained by the Company from time to time during the Employment Period for its comparably situated senior executive employees in accordance with the terms of such plans at the time of participation. The Company may, during the Employment Period, amend or terminate any such plan, to the extent permitted by the respective plan, if such termination or amendment occurs pursuant to a program applicable to all comparably situated executives of the Company and does not result in a proportionally greater reduction in the rights or benefits of Executive as compared with any other comparably situated executives of the Company. During each year of the Employment Period, the annual bonus payable to Executive at target shall be 75 percent of Executive's then-current Base Salary. The bonus payable to Executive at target under the Long-Term Incentive Compensation Plan for any three-year performance period shall be 90 percent of Executive's Base Salary at the beginning of such performance period.

(c) During the Employment Period, 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 comparably situated senior executive employees in accordance with their respective terms as in effect from time to time. These shall

include (i) Company-paid life insurance in the amount of Executive's annual Base Salary, (ii) long-term disability insurance coverage of $25,000 per month; (iii) annual out-of-pocket medical expense reimbursement of up to $5,000 per year; (iv) reimbursement of financial planning expense of up to $5,000 per year; (v) participation in the Supplemental Executive Retirement Plan (prorated for any partial plan year included in the Employment Period); and (vi) eligibility to participate in the Deferred Compensation Plan. The Company acknowledges that upon the commencement of his employment with the Company Executive was treated as if he had been credited with five years of service under the provisions of the Venator Group Retirement Plan, and Executive acknowledges that any increased amount of pension payable to him as a result of such credit may be payable from the Venator Group Excess Cash Balance Plan or a similar non-qualified plan of the Company.

(d) During the Employment Period, Executive shall be entitled to receive reimbursement for all reasonable and customary expenses incurred by him in performing services hereunder, including all travel and living expenses while away from home on business at the request of the Company, provided such expenses are incurred and accounted for in accordance with the Company's applicable policies and procedures.

(e) Executive shall be entitled to 20 vacation days in each calendar year. Unused vacation shall be forfeited.

(f) On the date hereof, Executive shall be granted stock options under, and pursuant to the provisions of, the 1995 Stock Option and Award Plan or the 1998 Stock Option and Award Plan (the applicable plan being hereinafter referred to as the "Option Plan") to purchase 500,000 shares of Common Stock of the Company at fair market value on the date of grant, as defined in the Option Plan. Such stock options shall vest in three equal installments on February 12, 2002, February 12, 2003, and January 31, 2004, and shall be subject to the provisions of the Option Plan and the

Stock Option Award Certificate. Executive shall not be eligible to receive additional stock option grants during the Employment Period. To the extent permissible under the terms of the Option Plan, all options shall become immediately exercisable upon any Change in Control.

(g) Within 30 days of the Commencement Date, Executive shall be granted 150,000 shares of restricted stock (the "Restricted Stock") under, and pursuant to the provisions of, the Option Plan and the terms of a restricted stock agreement essentially in the form of Attachment B hereto.

(h) The Company shall reimburse Executive the reasonable legal fees (based on hourly rates) and disbursements incurred by him in connection with negotiating and preparing this employment agreement, provided that in no event shall the amount of such reimbursement exceed $15,000.

(i) The Company shall reimburse Executive the costs associated with an automobile of a type to be reasonably agreed upon by the Company and Executive, such costs to include monthly lease payments, garaging, insurance, fuel, and maintenance; provided, however, that the total amount of such payments shall not exceed $30,000 per year.

5. Termination.

(a) The Employment Period shall terminate upon the earliest of the following:

(i) the death of Executive;

(ii) if, as a result of the incapacity of Executive due to physical or mental illness, Executive shall have been absent from his duties hereunder on a full time

basis for 180 days, and within 30 days after written notice of termination is given (which may occur before or after the end of such 180 day period) he shall not have returned to the performance of his duties hereunder on a full time basis; or

(iii) if the Company terminates the employment of Executive hereunder for Cause. For purposes of this agreement, the Company shall have "Cause" to terminate the employment of Executive hereunder upon (A) his willful and continued failure to substantially perform his duties hereunder (other than any such failure resulting from his incapacity due to physical or mental illness) (B) his willful engagement in misconduct that is materially injurious to the Company, monetarily or otherwise or (C) his failure to commence the performance of his duties hereunder on the Commencement Date.

(b) If the Company shall terminate the employment of Executive pursuant to the provisions of paragraph (a) above, it shall have no further liability or obligation hereunder except (i) to pay promptly to Executive his then-current Base Salary through the effective date of such termination, and (ii) Executive shall receive benefits, if any, and have the rights afforded by the Company, under its then-existing policies, to employees whose employment is terminated for death, disability, or cause, as the case may be, or under the specific terms of any welfare, fringe benefit, or incentive plan.

(c) (i) If the employment of Executive is terminated for any other reason during the Employment Period, or if the Company breaches any material provision of this agreement, which breach is not corrected within 30 days following written notice to the Company, the Restricted Stock shall become fully vested as of the date of the termination of Executive's employment and the Company shall make the following payments and provide the following benefits to Executive: Until the earliest of (i) the end of the Employment Period (ii) his death, or (iii) his breach of

the provisions of Section 8 hereof, (A) the Company shall make payments to Executive, no less frequently than monthly, calculated at his then-applicable annual rate of Base Salary; (B) the Company shall pay to Executive (at the same time as other annual bonuses are paid), with respect to the fiscal year in which such termination occurs, the annual bonus that Executive would otherwise have earned under the annual bonus plan applicable to Executive if such termination had not occurred, prorated as of the date of the termination of Executive's employment; (C) with respect to the performance period under the Long-Term Incentive Compensation Plan that ends on the last day of the fiscal year in which the employment of Executive is terminated, the Company shall pay to Executive the payment under the Long-Term Incentive Compensation Plan that Executive would otherwise have earned with respect to such performance period if such termination had not occurred, prorated as of the date of the termination of Executive's employment, payment of such amount to be made at the same time and in the same manner as other awards are paid for such period; and (D) the Company shall provide Executive for a period of one year following such termination of employment, at no cost to Executive, with out-placement at a level commensurate with that provided by the Company to other comparably situated executives. Executive shall not be required to mitigate the amount of any payment provided for in the preceding sentence by seeking other employment, nor shall any amounts to be received by Executive hereunder be reduced by any other compensation earned.

(ii) In the event that Executive is not elected Chairman of the Board of the Company (in addition to continuing in his position as Chief Executive Officer) effective on a date on or before March 4, 2002, Executive may, during the 30-day period commencing on March 4, 2002 and ending on April 2, 2002, give written notice to the Company of his election to resign his position as President and Chief Executive Officer and terminate this agreement. If Executive gives such notice,

Executive's resignation as President and Chief Executive Officer shall be effective 30 days following the date on which such notice is given, this agreement shall terminate 30 days following the date on which such notice is given, and Executive shall be entitled to receive the payments, and shall have such other rights, provided for in Section 5(c)(i) hereof, except that the Executive shall become vested in 50,000 shares of the Restricted Stock and the balance of the Restricted Stock shall be cancelled.

(d) Notwithstanding anything herein to the contrary, in the event of a Change in Control, as defined in Attachment A hereto, the Executive shall have the right to terminate the Employment Period by written notice given within the 30 day period following three months after such Change in Control. The Employment Period shall cease upon the giving of such notice. In such event, or in the event that 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 amount payable to Executive under paragraph (c) (A) through (D) above shall be not less than 1.5 times the sum of his Base Salary and annual bonus at target, such amount to be paid in a lump sum within 10 days following such termination of the employment of Executive, and all of the restricted stock granted to Executive pursuant to Section 4(g) and all of the stock options granted to Executive pursuant to Section 4(f) shall immediately become fully vested. For purposes of this paragraph, (i) "Change in Control" shall have the meaning specified in Attachment B hereto and (ii) "Good Reason" shall mean (A) any material demotion of Executive or any material reduction in Executive's authority or responsibility, except in each case in connection with the termination of Executive's employment for Cause or disability or as a result of Executive's death, or temporarily as a result of Executive's illness or other absence; (B) any reduction in Executive's rate of Base Salary as payable from time to time; (C) a reduction in Executive's annual bonus classification level other

than in connection with a redesign of the applicable bonus plan that affects all employees at Executive's bonus level; (D) a failure of the Company to continue in effect the benefits applicable to, or the Company's reduction of the benefits applicable to, Executive under any benefit plan or arrangement (including without limitation, any pension, life insurance, health or disability plan) in which Executive participates as of the date of the Change in Control without implementation of a substitute plan(s) providing materially similar benefits in the aggregate to those discontinued or reduced, except for a discontinuance of, or reduction under, any such plan or arrangement that is legally required or generally applies to all executives of the Company of a similar level, provided that in either such event the Company provides similar benefits (or the economic effect thereof) to Executive in any manner determined by the Company; or (E) failure of any successor to the Company to assume in writing the obligations hereunder, or (F) a breach of any other material provision of this Employment Agreement, which breach is not corrected within 30 days following written notice to the Company.

6. Gross-up. (a) In the event that Executive shall become entitled to the payments and/or benefits provided by Section 5 or any other amounts (whether pursuant to the terms of this Employment Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change of ownership covered by Code Section 280G(b)(2) or any person affiliated with the Company or such person) as a result of a Change in Control as defined in Attachment A (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 Executive at the time specified in paragraph (d) below an additional amount (the "Gross-up Payment") such that the net amount retained by 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 Section 280G(b)(3) of the Code) 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)(2) 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, 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 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, 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 (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 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 Executive, and interest payable to the Company shall not be required until actual refund or credit of such portion has been made to Executive, and interest payable to the Company shall not exceed the interest received or credited to Executive by such tax authority for the period it held such portion. Executive and the Company shall mutually agree upon the course of action to be pursued (and the method of allocating the expense thereof) if 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 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 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 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 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 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.

7. Indemnification. The Company agrees that the Executive shall be entitled to the benefits of the indemnity provisions set forth in the Certificate of Incorporation and 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.

[INTENTIONALLY LEFT BLANK]

8. Confidential Information and Non-Competition.

(a) Executive agrees that during the Employment Period and thereafter he shall not disclose, at any time, to any person, or use for his own account, nonpublic information of any kind concerning the Company or any of its subsidiaries or affiliates, including, but not limited to, nonpublic information concerning finances, financial plans, accounting methods, strategic plans, operations, personnel, organizational structure, methods of distribution, suppliers, customers, client relationships, marketing strategies, store lists, real estate strategies, or the like ("Confidential Information"). During such period, Executive shall not, without the prior written consent of the Company, unless compelled pursuant to the order of a court or other body having jurisdiction over such matter and unless required by lawful process or subpoena, communicate or divulge any Confidential Information to anyone other than the Company and those designated by the Company. Executive agrees that during the Employment Period he will not breach his obligations to comply with the provisions of the Code of Corporate Conduct of the Company, as in effect on the date hereof and as may be amended from time to time.

(b) Executive recognizes that Confidential Information has been developed by the Company and its affiliates at substantial cost and constitute valuable and unique property of the Company. Executive acknowledges that the foregoing makes it reasonably necessary for the protection of the Company's interests that Executive not compete with the Company or its affiliates during the Employment Period and for a reasonable and limited period thereafter. Therefore, Executive agrees that during the term of this agreement and for a period of two years thereafter, Executive shall not engage in Competition. As used herein, "Competition" shall mean (i) participating, directly or indirectly, as an individual proprietor, stockholder, officer, employee, director, joint venturer, investor, lender, consultant, or in any capacity whatsoever

(within the United States of America, or in any country where the Company or any of its subsidiaries or affiliates does business) in (A) a business in competition with the retail, catalog, or on-line sale of athletic footwear, athletic apparel, and sporting goods conducted by the Company or any of its subsidiaries or affiliates (the "Athletic Business") or (B) a business that in the prior fiscal year supplied product to the Company or any of its subsidiaries or affiliates for the Athletic Business having a value of $20 million or more at cost to the Company or any of its subsidiaries or affiliates; provided, however, that (X) such participation shall not include the mere ownership of not more than 1 percent of the total outstanding stock of a publicly traded company and (Y) a department store or general or merchandise store shall not be a business in competition with any business conducted by the Company; or (ii) the intentional recruiting, soliciting or inducing of any employee or employees of the Company or any of its subsidiaries or affiliates to terminate their employment with, or otherwise cease their relationship with, the Company or any of its subsidiaries or affiliates where such employee or employees do in fact so terminate their employment.

(c) Executive agrees (i) that his services are special and extraordinary, (ii) that a violation of his commitment not to disclose Confidential Information or otherwise to engage in acts of Competition would immediately and irreparably harm the Company, and (iii) that such harm would be incapable of adequate remediation by money damages. Accordingly, Executive agrees that this paragraph 8 may be enforced by injunction, and that he will interpose no objection or defense to such enforcement. Enforcement by injunction shall not bar the Company from any other legal or equitable remedies to which it may be entitled for such violation. If any restriction set forth with regard to Competition is found by any court of competent jurisdiction 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 is the intention of the parties that the court should interpret and enforce such restriction to its fullest lawful extent.

9. 1998 Agreement. The 1998 Agreement is hereby terminated, effective as of 12:00 Midnight on March 3, 2001, without further obligation of either party to the other, and shall thereafter be of no force and effect. Notwithstanding the foregoing, the parties acknowledge that they are parties to Restricted Stock Agreements dated September 21, 1998, November 10, 1999, and February 9, 2000, and Stock Option Agreements dated September 21, 1998 and February 9, 2000, which agreements shall remain in full force and effect in accordance with their terms.

10. Assignment. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs, and permitted assigns. This agreement is personal to Executive and neither this agreement or any rights hereunder may be assigned by him. No rights or obligations of the Company under this 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 agreement, either contractually or as a matter of law.

11. Arbitration. Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration in the City of New York, in accordance with the rules of the American Arbitration Association (the "AAA"); provided, however, that this Section shall not apply to Section 8 herein. The decision of the arbitrator(s) shall be final and binding on the parties hereto and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The costs assessed by the AAA for arbitration shall be borne equally by both

parties.

12. 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, in the case of Executive, at his principal residence address as shown in the records of the Company, and in the case of the Company, to the General Counsel, Venator Group, Inc., 112 West 34 Street, New York, New York 10120. 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 (3) days after mailing if mailed as aforesaid.

13. 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 between residents of such state to be performed therein.

14. Miscellaneous.

(a) This 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 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 you or an authorized officer of the Company, as the case may be.

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: _____

_____

Matthew D. Serra

Attachment A

Change in Control

A Change in Control 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 Affiliates) 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 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, 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.

Attachment B

RESTRICTED STOCK AWARD AGREEMENT
UNDER THE VENATOR GROUP
1995 STOCK OPTION AND AWARD PLAN

This Restricted Stock Award Agreement (the "Agreement") made under the Venator Group 1995 Stock Option and Award Plan (the "Plan") as of the 4th day of March 2001 by and between Venator Group, Inc., a New York corporation with its principal office located at 112 West 34th Street, New York, New York 10120 (the "Company") and Matthew D. Serra (the "Executive").

Effective March 4, 2001 (the "Date of Grant"), the Compensation and Management Resources Committee of the Board of Directors of the Company granted the Executive an award of 150,000 shares of Restricted Stock under the Plan, subject to the terms of the Plan and the restrictions set forth in this Agreement.

1. Grant of Shares

The Company is transferring to the Executive 150,000 shares of validly issued Common Stock of the Company, par value $.01 per share (the "Restricted Stock"). Such shares are fully paid and nonassessable and upon transfer shall be validly issued and outstanding. The shares are subject to certain restrictions pursuant to Section 3 hereof, which restrictions shall expire as provided in Section 3.3 hereof.

2. Restrictions on Transfer

The Employee shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Restricted Stock, except as set forth in this Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the shares in violation of this Agreement shall be void and of no effect and the Company shall have the right to disregard the same on its books and records and to issue "stop transfer" instructions to its transfer agent.

3. Restricted Stock

3.1 Deposit of Certificates. The Executive will deposit with and deliver to the Company the stock certificate or certificates representing the Restricted Stock, each duly endorsed in blank or accompanied by stock powers duly executed in blank. In the event the Executive receives a stock dividend on the Restricted Stock or the Restricted Stock is split or the Executive receives any other shares, securities, monies, or property representing a dividend on the Restricted Stock (other than regular cash dividends on and after the date of this Agreement) or representing a distribution or return of capital upon or in respect of the Restricted Stock or any

part thereof, or resulting from a split-up, reclassification or other like changes of the Restricted Stock, or otherwise received in exchange therefor, and any warrants, rights or options issued to the Executive in respect of the Restricted Stock (collectively the "RS Property"), the Executive will also immediately deposit with and deliver to the Company any of such RS Property, including any certificates representing shares duly endorsed in blank or accompanied by stock powers duly executed in blank, and such RS Property shall be subject to the same restrictions, including that of this Section 3.1, as the Restricted Stock with regard to which they are issued and shall herein be encompassed within the term "Restricted Stock."

3.2 Rights with Regard to the Restricted Stock. The Restricted Stock has been transferred from either the Company's treasury or newly issued stock and, therefore, upon delivery to the Executive will constitute issued and outstanding shares of Common Stock for all corporate purposes. From and after the date of transfer, the Executive will have the right to vote the Restricted Stock, to receive and retain all regular cash dividends payable to record holders of Common Stock on and after the transfer of the Restricted Stock (although such dividends shall be treated, to the extent required by law, as additional compensation for tax purposes if paid on Restricted Stock), and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to the Restricted Stock, with the exceptions that (i) the Executive will not be entitled to delivery of the stock certificate or certificates representing the Restricted Stock until the restriction period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled, (ii) the Company will retain custody of the stock certificate or certificates representing the Restricted Stock and the other RS Property during the restriction period, (iii) no RS Property shall bear interest or be segregated in separate accounts during the restriction period and (iv) the Executive may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Stock during the restriction period.

3.3 Vesting.

The Restricted Stock shall become 100% vested and cease to be Restricted Stock (but still subject to the other terms of the Plan and this Agreement) on January 31, 2004 if the Executive has been continuously employed by the Company or its subsidiaries within the meaning of Section 424 of the Internal Revenue Code of 1986, as amended (the "Control Group") until such date.

Other than as may be provided for under Section 3.4 hereof, there shall be no proportionate or partial vesting in the periods prior to the appropriate vesting date and all vesting shall occur only on the appropriate vesting date.

When any Restricted Stock becomes vested, the Company shall promptly issue and deliver to the Executive a new stock certificate registered in the name of the Executive for such shares without the legend set forth in Section 4 hereof and deliver to the Executive any related other RS Property.

In addition, all shares of Restricted Stock shall become immediately vested and cease to be Restricted Stock upon any Change in Control as defined in Appendix A hereto.

3.4 Forfeiture. In the event of the Executive's death, disability, or resignation, the Executive shall forfeit to the Company, without compensation, all unvested shares of Restricted Stock; provided that (i) in the event of the death or disability of the Executive, or (ii) in the event that the Executive ceases to be employed by the Company or any subsidiary or affiliate of the Company as a result of the closing, sale, spin-off or other divestiture of any operation of the Company, the Compensation and Management Resources Committee of the Board of Directors of the Company may, in its sole discretion, but shall not be obligated to, fully vest and not forfeit all or any portion of the Executive's Restricted Stock; and provided further that (A) in the event that the employment of the Executive by the Company is terminated in a manner that gives rise to the payments provided for in Section 5(c)(i) of the Employment Agreement between Executive and the Company dated February 12, 2001 (the "Employment Agreement"), the Restricted Stock shall become fully vested as of the date of the termination of his employment, and (B) in the event that Executive elects to terminate his employment with the Company under the provisions of Section 5(c)(ii) of the Employment Agreement, 50,000 shares of the Restricted Stock shall become fully vested as of the date of the termination of his employment.

3.5 Adjustments. In the event of any stock dividend, split up, split-off, spin-off, distribution, recapitalization, combination or exchange of shares, merger, consolidation, reorganization or liquidation or the like, the Restricted Stock shall, where appropriate in the sole discretion of the Compensation and Management Resources Committee of the Board of Directors of the Company, receive the same distributions as other shares of Common Stock or on some other basis as determined by the Compensation and Management Resources Committee of the Board of Directors. In any such event, the Compensation and Management Resources Committee of the Board of Directors may, in its sole discretion, determine to award additional Restricted Stock in lieu of the distribution or adjustment being made with respect to other shares of Common Stock. In any such event, the determination made by the Compensation and Management Resources Committee of the Board of Directors shall be conclusive. The Compensation and Management Resources Committee of the Board of Directors may, in its sole discretion, at any time fully vest and not forfeit all or any portion of the Executive's Restricted Stock.

3.6 Withholding. The Employee agrees that, subject to subsection 3.7 below,

(a) No later than the date on which any Restricted Stock shall have become vested, the Executive will pay to the Company, or make arrangements satisfactory to the Company regarding payment of, any federal, state or local taxes of any kind required by law to be withheld with respect to any Restricted Stock which shall have become so vested;

(b) The Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Executive any federal, state or local

taxes of any kind required by law to be withheld with respect to any Restricted Stock which shall have become so vested; and

(c) In the event the Executive does not satisfy (a) above on a timely basis, the Company may, but shall not be required to, pay such required withholding and treat such amount as a demand loan to the Employee at the maximum rate permitted by law, with such loan, at the Company's sole discretion and provided the Company so notifies the Employee within thirty (30) days of the making of the loan, secured by the shares of Common Stock and any failure by the Executive to pay the loan upon demand shall entitle the Company to all of the rights at law of a creditor secured by the shares of Common Stock. The Company may hold as security any certificates representing any shares of Common Stock and, upon demand of the Company, the Executive shall deliver to the Company any certificates in his possession representing shares of Common Stock together with a stock power duly endorsed in blank.

3.7 Section 83(b). If the Executive properly elects (as required by Section 83(b) of the Internal Revenue Code of 1986, as amended) within thirty (30) days after the issuance of the Restricted Stock to include in gross income for federal income tax purposes in the year of issuance the fair market value of such Restricted Stock, the Executive shall pay to the Company or make arrangements satisfactory to the Company to pay to the Company upon such election, any federal, state or local taxes required to be withheld with respect to such Restricted Stock. If the Executive shall fail to make such payment, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Executive any federal, state or local taxes of any kind required by law to be withheld with respect to such Restricted Stock, as well as the rights set forth in Section 3.6(c) hereof. The Executive acknowledges that it is his sole responsibility, and not the Company's, to file timely the election under Section 83(b) of the Internal Revenue Code of 1986, as amended, and any corresponding provisions of state tax laws if he elects to utilize such election.

3.8 Special Incentive Compensation. The Executive agrees that the award of the Restricted Stock hereunder is special incentive compensation and that it, any dividends paid thereon (even if treated as compensation for tax purposes) and any other RS Property will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company.

3.9 Delivery Delay. The delivery of any certificate representing Restricted Stock or other RS Property may be postponed by the Company for such period as may be required for it to comply with any applicable federal or state securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares shall constitute a violation by the Executive or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

4. Legend. All certificates representing shares of Restricted Stock shall have endorsed thereon a legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, substantially in the following form:

"The anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance or charge of the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Venator Group (the "Company") 1995 Stock Option and Award Plan and an Agreement entered into between the registered owner and the Company dated March 4, 2001. Copies of such Plan and Agreement are on file at the principal office of the Company."

5. Not an Employment Agreement. The issuance of the shares of Restricted Stock hereunder does not constitute an agreement by the Company to continue to employ the Executive during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which the Restricted Stock is outstanding.

6. Power of Attorney. The Company, its successors and assigns, is hereby appointed the attorney-in-fact, with full power of substitution, of the Executive for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for the Executive, may, in the name and stead of the Executive, make and execute all conveyances, assignments and transfers of the Restricted Stock, Shares and property provided for herein, and the Executive hereby ratifies and confirms all that the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, the Executive shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the judgment of the Company, be advisable for the purpose.

7. Miscellaneous.

7.1 This Agreement shall inure to the benefit of and be binding upon all parties hereto and their respective heirs, legal representatives, successors and assigns.

7.2 This Agreement constitutes the entire agreement between the parties and cannot be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

7.3 This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

7.4 The failure of any party hereto at any time to require

performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

7.5 This Agreement is subject, in all respects, to the provisions of the Plan, and to the extent any provision of this Agreement contravenes or is inconsistent with any provision of the Plan, the provisions of the Plan shall govern.

7.6 The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

7.7 All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at, in the case of the Company, the address set forth at the heading of this Agreement and, in the case of the Executive, his principal residence address as shown in the records of the Company, or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the Chairman of the Compensation and Management Resources Committee with a copy similarly sent to the General Counsel.

7.8 This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the internal laws of the State of New York.

7.9 To indicate your acceptance of the terms of this Restricted Stock Award Agreement, you must sign and deliver or mail not later than 30 days from the date hereof, a copy of this Agreement to the General Counsel of the Company at the address provided in the heading of this Agreement.

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

VENATOR GROUP, INC.

By:

Senior Vice President

27

ACKNOWLEDGMENT

STATE OF)

) s.s.:
COUNTY OF)

On this day of 2001, before me personally appeared Matthew D. Serra , to me known to be the person described in and who executed the foregoing agreement, and acknowledged that he executed the same as his free act and deed.

Notary Public

APPENDIX A

CHANGE IN CONTROL

A Change in Control 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 Affiliates) 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 shareholders was approved by a vote of at least two-thirds (") 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 10.3

RESTRICTED STOCK AWARD AGREEMENT
UNDER THE VENATOR GROUP
1995 STOCK OPTION AND AWARD PLAN

This Restricted Stock Award Agreement (the "Agreement") made under the Venator Group 1995 Stock Option and Award Plan (the "Plan") as of the 4th day of March 2001 by and between Venator Group, Inc., a New York corporation with its principal office located at 112 West 34th Street, New York, New York 10120 (the "Company") and Matthew D. Serra (the "Executive").

Effective March 4, 2001 (the "Date of Grant"), the Compensation and Management Resources Committee of the Board of Directors of the Company granted the Executive an award of 150,000 shares of Restricted Stock under the Plan, subject to the terms of the Plan and the restrictions set forth in this Agreement.

1. Grant of Shares

The Company is transferring to the Executive 150,000 shares of validly issued Common Stock of the Company, par value $.01 per share (the "Restricted Stock"). Such shares are fully paid and nonassessable and upon transfer shall be validly issued and outstanding. The shares are subject to certain restrictions pursuant to Section 3 hereof, which restrictions shall expire as provided in Section 3.3 hereof.

2. Restrictions on Transfer

The Employee shall not sell, transfer, pledge, hypothecate, assign or otherwise dispose of the Restricted Stock, except as set forth in this Agreement. Any attempted sale, transfer, pledge, hypothecation, assignment or other disposition of the shares in violation of this Agreement shall be void and of no effect and the Company shall have the right to disregard the same on its books and records and to issue "stop transfer" instructions to its transfer agent.

3. Restricted Stock

3.1 Deposit of Certificates. The Executive will deposit with and deliver to the Company the stock certificate or certificates representing the Restricted Stock, each duly endorsed in blank or accompanied by stock powers duly executed in blank. In the event the Executive receives a stock dividend on the Restricted Stock or the Restricted Stock is split or the Executive receives any other shares, securities, monies, or property representing a dividend on the Restricted Stock (other than regular cash dividends on and after the date of this Agreement) or representing a distribution or return of capital upon or in respect of the Restricted Stock or any part thereof, or resulting from a split-up, reclassification or other like changes of the Restricted Stock, or otherwise received in exchange therefor, and any warrants, rights or options issued to the Executive in respect of the Restricted Stock (collectively the "RS Property"), the Executive will also immediately

deposit with and deliver to the Company any of such RS Property, including any certificates representing shares duly endorsed in blank or accompanied by stock powers duly executed in blank, and such RS Property shall be subject to the same restrictions, including that of this Section 3.1, as the Restricted Stock with regard to which they are issued and shall herein be encompassed within the term "Restricted Stock."

3.2 Rights with Regard to the Restricted Stock. The Restricted Stock has been transferred from either the Company's treasury or newly issued stock and, therefore, upon delivery to the Executive will constitute issued and outstanding shares of Common Stock for all corporate purposes. From and after the date of transfer, the Executive will have the right to vote the Restricted Stock, to receive and retain all regular cash dividends payable to record holders of Common Stock on and after the transfer of the Restricted Stock (although such dividends shall be treated, to the extent required by law, as additional compensation for tax purposes if paid on Restricted Stock), and to exercise all other rights, powers and privileges of a holder of Common Stock with respect to the Restricted Stock, with the exceptions that (i) the Executive will not be entitled to delivery of the stock certificate or certificates representing the Restricted Stock until the restriction period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled, (ii) the Company will retain custody of the stock certificate or certificates representing the Restricted Stock and the other RS Property during the restriction period, (iii) no RS Property shall bear interest or be segregated in separate accounts during the restriction period and (iv) the Executive may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Stock during the restriction period.

3.3 Vesting.

The Restricted Stock shall become 100% vested and cease to be Restricted Stock (but still subject to the other terms of the Plan and this Agreement) on January 31, 2004 if the Executive has been continuously employed by the Company or its subsidiaries within the meaning of Section 424 of the Internal Revenue Code of 1986, as amended (the "Control Group") until such date.

Other than as may be provided for under Section 3.4 hereof, there shall be no proportionate or partial vesting in the periods prior to the appropriate vesting date and all vesting shall occur only on the appropriate vesting date.

When any Restricted Stock becomes vested, the Company shall promptly issue and deliver to the Executive a new stock certificate registered in the name of the Executive for such shares without the legend set forth in Section 4 hereof and deliver to the Executive any related other RS Property.

In addition, all shares of Restricted Stock shall become immediately vested and cease to be Restricted Stock upon any Change in Control as defined in Appendix A hereto.

3.4 Forfeiture. In the event of the Executive's death, disability, or resignation, the Executive shall forfeit to the Company, without compensation, all unvested shares of

Restricted Stock; provided that (i) in the event of the death or disability of the Executive, or (ii) in the event that the Executive ceases to be employed by the Company or any subsidiary or affiliate of the Company as a result of the closing, sale, spin-off or other divestiture of any operation of the Company, the Compensation and Management Resources Committee of the Board of Directors of the Company may, in its sole discretion, but shall not be obligated to, fully vest and not forfeit all or any portion of the Executive's Restricted Stock; and provided further that (A) in the event that the employment of the Executive by the Company is terminated in a manner that gives rise to the payments provided for in Section 5(c)(i) of the Employment Agreement between Executive and the Company dated February 12, 2001 (the "Employment Agreement"), the Restricted Stock shall become fully vested as of the date of the termination of his employment, and (B) in the event that Executive elects to terminate his employment with the Company under the provisions of Section 5(c)(ii) of the Employment Agreement, 50,000 shares of the Restricted Stock shall become fully vested as of the date of the termination of his employment.

3.5 Adjustments. In the event of any stock dividend, split up, split-off, spin-off, distribution, recapitalization, combination or exchange of shares, merger, consolidation, reorganization or liquidation or the like, the Restricted Stock shall, where appropriate in the sole discretion of the Compensation and Management Resources Committee of the Board of Directors of the Company, receive the same distributions as other shares of Common Stock or on some other basis as determined by the Compensation and Management Resources Committee of the Board of Directors. In any such event, the Compensation and Management Resources Committee of the Board of Directors may, in its sole discretion, determine to award additional Restricted Stock in lieu of the distribution or adjustment being made with respect to other shares of Common Stock. In any such event, the determination made by the Compensation and Management Resources Committee of the Board of Directors shall be conclusive. The Compensation and Management Resources Committee of the Board of Directors may, in its sole discretion, at any time fully vest and not forfeit all or any portion of the Executive's Restricted Stock.

3.6 Withholding. The Employee agrees that, subject to subsection 3.7 below,

(a) No later than the date on which any Restricted Stock shall have become vested, the Executive will pay to the Company, or make arrangements satisfactory to the Company regarding payment of, any federal, state or local taxes of any kind required by law to be withheld with respect to any Restricted Stock which shall have become so vested;

(b) The Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Executive any federal, state or local taxes of any kind required by law to be withheld with respect to any Restricted Stock which shall have become so vested; and

(c) In the event the Executive does not satisfy (a) above on a timely basis, the Company may, but shall not be required to, pay such required withholding and

treat such amount as a demand loan to the Employee at the maximum rate permitted by law, with such loan, at the Company's sole discretion and provided the Company so notifies the Employee within thirty (30) days of the making of the loan, secured by the shares of Common Stock and any failure by the Executive to pay the loan upon demand shall entitle the Company to all of the rights at law of a creditor secured by the shares of Common Stock. The Company may hold as security any certificates representing any shares of Common Stock and, upon demand of the Company, the Executive shall deliver to the Company any certificates in his possession representing shares of Common Stock together with a stock power duly endorsed in blank.

3.7 Section 83(b). If the Executive properly elects (as required by Section 83(b) of the Internal Revenue Code of 1986, as amended) within thirty (30) days after the issuance of the Restricted Stock to include in gross income for federal income tax purposes in the year of issuance the fair market value of such Restricted Stock, the Executive shall pay to the Company or make arrangements satisfactory to the Company to pay to the Company upon such election, any federal, state or local taxes required to be withheld with respect to such Restricted Stock. If the Executive shall fail to make such payment, the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Executive any federal, state or local taxes of any kind required by law to be withheld with respect to such Restricted Stock, as well as the rights set forth in Section 3.6(c) hereof. The Executive acknowledges that it is his sole responsibility, and not the Company's, to file timely the election under Section 83(b) of the Internal Revenue Code of 1986, as amended, and any corresponding provisions of state tax laws if he elects to utilize such election.

3.8 Special Incentive Compensation. The Executive agrees that the award of the Restricted Stock hereunder is special incentive compensation and that it, any dividends paid thereon (even if treated as compensation for tax purposes) and any other RS Property will not be taken into account as "salary" or "compensation" or "bonus" in determining the amount of any payment under any pension, retirement or profit-sharing plan of the Company or any life insurance, disability or other benefit plan of the Company.

3.9 Delivery Delay. The delivery of any certificate representing Restricted Stock or other RS Property may be postponed by the Company for such period as may be required for it to comply with any applicable federal or state securities law, or any national securities exchange listing requirements and the Company is not obligated to issue or deliver any securities if, in the opinion of counsel for the Company, the issuance of such shares shall constitute a violation by the Executive or the Company of any provisions of any law or of any regulations of any governmental authority or any national securities exchange.

4. Legend. All certificates representing shares of Restricted Stock shall have endorsed thereon a legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, substantially in the following form:

"The anticipation, alienation, attachment, sale, transfer, assignment, pledge, encumbrance or charge of the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Venator Group (the "Company") 1995 Stock Option and Award Plan and an Agreement entered into between the registered owner and the Company dated March 4, 2001. Copies of such Plan and Agreement are on file at the principal office of the Company."

5. Not an Employment Agreement. The issuance of the shares of Restricted Stock hereunder does not constitute an agreement by the Company to continue to employ the Executive during the entire, or any portion of the, term of this Agreement, including but not limited to any period during which the Restricted Stock is outstanding.

6. Power of Attorney. The Company, its successors and assigns, is hereby appointed the attorney-in-fact, with full power of substitution, of the Executive for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instruments which such attorney-in-fact may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. The Company, as attorney-in-fact for the Executive, may, in the name and stead of the Executive, make and execute all conveyances, assignments and transfers of the Restricted Stock, Shares and property provided for herein, and the Executive hereby ratifies and confirms all that the Company, as said attorney-in-fact, shall do by virtue hereof. Nevertheless, the Executive shall, if so requested by the Company, execute and deliver to the Company all such instruments as may, in the judgment of the Company, be advisable for the purpose.

7. Miscellaneous.

7.1 This Agreement shall inure to the benefit of and be binding upon all parties hereto and their respective heirs, legal representatives, successors and assigns.

7.2 This Agreement constitutes the entire agreement between the parties and cannot be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be effective unless in writing and signed by the party against whom it is sought to be enforced.

7.3 This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one contract.

7.4 The failure of any party hereto at any time to require performance by another party of any provision of this Agreement shall not affect the right of such party to require performance of that provision, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right under this Agreement.

7.5 This Agreement is subject, in all respects, to the provisions of the

Plan, and to the extent any provision of this Agreement contravenes or is inconsistent with any provision of the Plan, the provisions of the Plan shall govern.

7.6 The headings of the sections of this Agreement have been inserted for convenience of reference only and shall in no way restrict or modify any of the terms or provisions hereof.

7.7 All notices, consents, requests, approvals, instructions and other communications provided for herein shall be in writing and validly given or made when delivered, or on the second succeeding business day after being mailed by registered or certified mail, whichever is earlier, to the persons entitled or required to receive the same, at, in the case of the Company, the address set forth at the heading of this Agreement and, in the case of the Executive, his principal residence address as shown in the records of the Company, or to such other address as either party may designate by like notice. Notices to the Company shall be addressed to the Chairman of the Compensation and Management Resources Committee with a copy similarly sent to the General Counsel.

7.8 This Agreement shall be governed and construed and the legal relationships of the parties determined in accordance with the internal laws of the State of New York.

7.9 To indicate your acceptance of the terms of this Restricted Stock Award Agreement, you must sign and deliver or mail not later than 30 days from the date hereof, a copy of this Agreement to the General Counsel of the Company at the address provided in the heading of this Agreement.

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

VENATOR GROUP, INC.

By:
Senior Vice President

Matthew D. Serra

ACKNOWLEDGMENT

STATE OF)
) s.s.:
COUNTY OF)

On this day of 2001, before me personally appeared Matthew D. Serra, to me known to be the person described in and who executed the foregoing agreement, and acknowledged that he executed the same as his free act and deed.

Notary Public

APPENDIX A

CHANGE IN CONTROL

A Change in Control 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 Affiliates) 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 shareholders 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 10.4

AMENDMENT TO TRUST AGREEMENT

This Amendment to Trust Agreement made as of April 11, 2001, between Venator Group, Inc., a New York corporation with its principal office at 112 West 34 Street, New York, New York 10120 (formerly Woolworth Corporation) (the "Company") and The Bank of New York, a New York banking corporation whose address is One Wall Street, New York, New York 10005 (the "Trustee").

WHEREAS, the Company and the Trustee are parties to a Trust Agreement dated November 12, 1987 (the "Trust Agreement"); and

WHEREAS, on June 11, 1998 the Company amended its Certificate of Incorporation to change its name from Woolworth Corporation to Venator Group, Inc.; and

WHEREAS, the Company has not, prior to the date hereof, has not provided the Trustee with a Payment Schedule provided for in Section 12(a) of the Trust Agreement;

NOW, THEREFORE, the parties do hereby amend the Trust Agreement, effective the date hereof, as follows:

A. Section 1(b) of the Trust Agreement is amended to read, in its entirety, as follows:

> (b) The Trust hereby established shall be revocable by the Company at any time until the later of (i) 30 days following the issuance by the Internal Revenue Service of tax rulings to be requested by the Company in conjunction with the establishment of the Trust to the effect that the Company is the owner of the Trust within the meaning of Sections 671 et. seq. of the Code and that the Executives will not be subject to income tax on amounts contributed to the Trust prior to the actual receipt of funds from the Trust or (ii) the occurrence of a Potential Change in control, as hereinafter defined; thereafter, except as provided in Section 11(a)(iii), the Trust shall be irrevocable. Notwithstanding the foregoing, the Company may, during any period of time that the Trust is revocable, declare the Trust to be irrevocable by delivering to the Trustee a certified copy of a resolution to that effect which has been adopted by the Compensation Committee of the Board of Directors of the Company, or any successor thereto (the "Committee").

B. Section 1(d)(iii) of the Trust Agreement is amended to read, in its entirety, as follows:

> (iii) any person, other than the Company, a trustee or other fiduciary holding voting securities of the Company under an employee benefit plan of the Company, is or becomes the "Beneficial Owner" (as defined in Rule 13d-3 under

the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding voting securities; or

C. Section 11(a)(i) of the Trust Agreement is amended to read, in its entirety, as follows:

(a) (i) Except as provided in this Section 11, the Trust Agreement may only be amended by a written instrument executed by the Trustee and the Company (I) provided that no such amendment shall (A) cause the Trust to be revoked after it has become irrevocable in accordance with Section 1(b) other than an amendment pursuant to 11(a)(iii) below; or (B) other than changes made in accordance with subsection (ii) below, or amendments certified by the Chairman or President of the Company to be made in accordance with the terms of the Nonqualified Plans, the Contract or any Other Plan, as the case may be, or as may be required by law, reduce the Nonqualified Plan Benefits, the Contract Benefits or Other Benefits, as the case may be, or diminish the rights of any nonconsenting Executive or (C) alter or otherwise be inconsistent with Section 8(f) or Section 11(b) and (II) provided further that, following the occurrence of a Potential Change in Control, the written consent of a majority of the Executives who, at the time of such amendment, are listed on a Payment Schedule shall be required for such amendment to be effective.

D. The address to which notices may be provided to the Company, as provided for in Section 13 of the Trust Agreement, shall be:

TO THE COMPANY AT:

Venator Group, Inc.
112 West 34th Street
New York, New York 10120
Attention: Chief Executive Officer

and a copy to:

Venator Group, Inc.
112 West 34th Street
New York, New York 10120
Attention: General Counsel

E. In all other respects the terms and provisions of the Trust Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the Company and Trustee have executed this Amendment to Trust Agreement as of the date first above written.

VENATOR GROUP, INC.

ATTEST:

By: /s/ John H. Cannon
Title: Vice President and Treasurer

/s/ Gary M. Bahler
Secretary

THE BANK OF NEW YORK,
as Trustee

ATTEST:

By: Michael T. Shayne
Title: Vice President

/s/ Mary P. Galligan
Title: Vice President

EXHIBIT 10.5

AMENDMENT TO INDEMNIFICATION AGREEMENT

Section 1(c) of the form of Indemnification Agreement between Venator Group, Inc. and its directors and officers is amended to read, in its entirety, as follows:

> (c) Change in Control: shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a corporation owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 20 percent or more of the total voting power represented by the Company's then outstanding Voting Securities (such person being hereinafter referred to as an "Acquiring Person"), or (ii) during any 24-consecutive-month period, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election by the Board of Directors or nomination for election by the Company's shareholders 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 a majority thereof, or (iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than 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 entity) at least 80 percent of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

EXHIBIT 10.6

VENATOR GROUP, INC.

NONSTATUTORY STOCK OPTION GRANT AGREEMENT

This Nonstatutory Stock Option Agreement (the "Agreement") is made as of February 12, 2001 by and between Venator Group, Inc., a New York corporation (the "Company"), having its principal office at 112 West 34th Street, New York, New York 10120, and J. Carter Bacot (the "Optionee").

WITNESSETH:

WHEREAS, the Optionee is currently serving as a member of the Board of Directors of the Company;

WHEREAS, on February 12, 2001 the Board of Directors of the Company elected Optionee to the position of non-executive Chairman of the Board of the Company, effective March 4, 2001; and

WHEREAS, in connection with Optionee's election to such position, the Board of Directors considers it desirable and in the best interest of the Company to grant the Optionee a nonstatutory stock option (the "Option") to purchase from the Company shares of the Company's common stock, par value $0.01 per share ("Common Stock").

NOW THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, the parties hereto hereby agree that the terms and conditions of the Option are as follows:

1. Grant of Option. The Optionee is hereby granted an Option to purchase from the Company up to but not more than 17,000 shares of the Company's Common Stock at the purchase price per share of $11.9050 (the "Exercise Price"), which is 100 percent of the Fair Market Value of a share of Common Stock on February 12, 2001. As used herein, "Fair Market Value" means, as of any date, the average of the high and low prices of a share of Common Stock as reported for such date on the Composite Tape for New York Stock Exchange-Listed Stocks.

2. Treasury Shares. Shares of Common Stock to be issued pursuant to this Agreement shall be made available exclusively from issued shares of Common Stock reacquired by the Company and held in the Company's treasury.

3. Tax Matters. No part of the Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Exercisability. The Option is granted to Optionee for a period expiring at midnight on December 31, 2005 unless, prior to such time, the Option is exercised in full,

or is cancelled or expires as provided in Section 5. Except as otherwise provided in Section 5, the Option will become exercisable on March 1, 2002.

5. Termination of Option. The option shall expire on December 31, 2005 unless it expires on an earlier date as provided for in paragraphs (a) or (b) below:

(a) In the event the Optionee ceases to be a director of the Company for any reason, including through death or retirement, prior to March 1, 2002, the Option shall expire as of the date of such termination of service as a director.

(b) In the event the Optionee ceases to be a director of the Company for any reason, including through death or retirement, following March 1, 2002, the Option shall expire one year from the date of such termination of service as a director, but in no event later than December 31, 2005.

6. Exercise of Option. Prior to the expiration of the Option, the Optionee may exercise the vested Option in whole or in part at any time during the term of the Option by giving written notice of exercise to the Secretary of the Company at the Company's principal office, specifying the number of shares of Common Stock to be purchased and accompanied by payment in full of the Exercise Price. The Company may, however, prohibit the Optionee's ability to exercise the Option during any period for which the Company has imposed trading restrictions for its directors and officers in the Common Stock. Shares of Common Stock purchased pursuant to the exercise of the Option shall be paid for at the time of exercise as follows: (i) in cash, including a cashless exercise through a broker, (ii) by payment in full or part in the form of shares of Common Stock owned by the Optionee for a period of at least six months (or such other period necessary to avoid a charge against the Company's earnings), provided that such shares are held free and clear of any liens and encumbrances, based on the Fair Market Value of the Common Stock on the payment date; or (iii) on such other terms and conditions as may be acceptable to the Board of Directors.

7. Nontransferability. The Option shall not be transferable by the Optionee other than by will or the laws of descent and distribution and may, during his lifetime, be exercised only by the Optionee. In addition, the Option shall not, in any manner, be used for the payment of, subject to, or otherwise encumbered by or hypothecated for the debts, contracts, liabilities, engagements or torts of any person who shall be entitled to such Option, nor shall it be subject to attachment or legal process for or against such person. Upon any attempt to transfer, assign, negotiate, pledge or hypothecate the Option, or in the event of any levy upon the Option by reason of any execution, attachment or similar process contrary to the provisions hereof, the Option shall immediately become null and void. This Agreement shall be binding on and enforceable against any person who is a permitted transferee of the Option pursuant to the first sentence of this Section 7.

8. Rights as a Shareholder. The Optionee shall have no rights as a shareholder with respect to any shares of Common Stock covered by the Option unless and until the Optionee shall have become the beneficial owner of the shares, and no

adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares, except as otherwise provided herein.

9. Changes in Common Stock.

(a) In the event of any change in the capital structure or business of the Company by reason of any stock dividend or extraordinary dividend, stock split or reverse stock split, recapitalization, reorganization, merger, consolidation, split-up, combination or exchange of shares, non-cash distributions with respect to its outstanding Common Stock or capital stock other than Common Stock, reclassification of its capital stock, any sale or transfer of all or part of the Company's assets or business, or any similar change affecting the Company's capital structure or business, and the Company's Board of Directors determines in good faith that an adjustment is necessary or appropriate to prevent substantial dilution or enlargement of the Optionee's rights under this Agreement or as otherwise necessary to reflect the change, then the aggregate number and kind of shares to be issued upon exercise of the Option and the Exercise Price shall be appropriately adjusted consistent with such change in such manner as the Board of Directors may deem equitable to prevent substantial dilution or enlargement of the Optionee's rights under this Agreement or as otherwise necessary to reflect the change.

(b) Fractional shares of Common Stock resulting from any adjustment in Options pursuant to Section 9(a) shall be aggregated until, and eliminated at, the time of exercise by rounding down for fractions less than one-half (1/2) and rounding up for fractions equal to or greater than one-half (1/2). No fractional shares of Common Stock shall be issued hereunder. No cash settlements shall be made with respect to fractional shares of Common Stock eliminated by rounding. The Company shall promptly notify the Optionee in the event any adjustment under this Section 9 is made.

10. Compliance with Legal Requirements.

(a) This Option shall not be exercisable and no shares of Common Stock shall be issued or transferred pursuant to this Agreement unless and until all legal requirements applicable to such issuance or transfer have, in the opinion of the Company's counsel, been satisfied. Such requirements may include, but are not limited to, registering or qualifying the shares of Common Stock covered by the Option under any state or federal law or under the rules of any stock exchange or trading system, satisfying any applicable law or rule relating to the transfer of unregistered securities or demonstrating the availability of an exemption from applicable laws, placing a legend on such shares to the effect that they were issued in reliance upon an exemption from registration under the Securities Act of 1933, as amended (the "Act"), and may not be transferred other than in reliance upon Rule 144 promulgated under the Act, if available, or upon another exemption from the Act, or obtaining the consent or approval of any governmental body.

(b) The Optionee understands that the Company is under no obligation to register for resale the shares of Common Stock covered by the Option. In connection with any such issuance or transfer, the person acquiring the shares of Common Stock covered by the Option shall, if requested by the Company, provide information and assurances satisfactory to the Company's counsel with respect to such matters as the Company reasonably may deem desirable to assure compliance with all applicable legal requirements.

11. Termination or Amendment. This Agreement may at any time, and from time to time be amended, in whole or in part, or suspended or terminated entirely, retroactively or otherwise; provided, however, that, unless otherwise required by law or specifically provided herein, the rights of the Optionee with respect to the Option may not be impaired without the written consent of the Optionee.

12. Administration. This Agreement shall be administered and interpreted by the Board of Directors of the Company. The determinations of the Board of Directors in connection with this Agreement shall be final, conclusive and binding on the Company and on the Optionee and their respective executors, administrators, successors and assigns.

13. Legend. Certificates for shares of Common Stock delivered hereunder shall be subject to such stock transfer orders and other restrictions as the Board of Directors may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Common Stock is then listed or any national securities association system upon whose system the Common Stock is then quoted, any applicable Federal or state securities law, and any applicable corporate law, and the Board of Directors may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

14. Withholding of Taxes. If applicable, the Company shall have the right to deduct from any payment to be made to the Optionee, or to otherwise require, prior to the issuance or delivery of any shares of Common Stock hereunder, payment by the Optionee of any applicable Federal, state or local taxes required by law to be withheld.

15. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of laws principles.

16. Death. The Company may, in its discretion, require the transferee of the Option to supply it with written notice of the Optionee's death and to supply it with a copy of the will or such other evidence as the Board of Directors deems necessary to establish the validity of the transfer of the Option.

17. Severability of Provisions. If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any

other provisions hereof, and the Agreement shall be construed and enforced as if such provisions had not been included.

18. Headings. The headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

19. Notices. Any notice or communication given hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or when dispatched by telecopy, or one business day after having been dispatched by a nationally recognized next-day courier service or three days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, to the appropriate party at, in the case of the Company, the Secretary at the principal office of the Company and, in the case of the Optionee, his principal business or residence address as shown in the records of the Secretary of Company, or to such other address as either party may designate by like notice.

20. Counterparts. The Company's and Optionee's execution of this Agreement evidence their respective heirs', beneficiaries', successors' and assigns' agreement to be bound by the terms hereof. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

VENATOR GROUP, INC.

By:/s/ Gary M. Bahler
Senior Vice President,
General Counsel and Secretary

/s/ J. Carter Bacot
J. Carter Bacot

EXHIBIT 12

VENATOR GROUP, INC.

VENATOR GROUP, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Unaudited)
($ in millions)

	Thirteen weeks ended		Fiscal Year Ended				
	May 5 2001	April 29, 2000	Feb. 3, 2001	Jan 29, 2000	Jan. 30, 1999	Jan 31, 1998	Jan.25, 1997
NET EARNINGS							
Income from continuing operations	$ 32	$ 23	$ 107	$ 59	$ 14	$185	$185
Income tax expense (benefit)	21	15	69	38	(28)	104	124
Interest expense, excluding capitalized interest	8	11	41	65	57	41	53
Portion of rents deemed representative of the interest factor (1/3)	39	43	155	170	161	146	140
	$ 100	$ 92	$372	$ 332	$204	$476	$ 502
FIXED CHARGES							
Gross interest expense	$ 8	$ 11	$ 42	$ 67	$ 64	$ 41	$ 53
Portion of rents deemed representative of the interest factor (1/3)	39	43	155	170	161	146	140
	$ 47	$ 54	$ 197	$ 237	$225	$187	$ 193
RATIO OF EARNINGS TO FIXED CHARGES	2.1	1.7	1.9	1.4	0.9	2.5	2.6

Earnings were not adequate to cover fixed charges by $21 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, 333-62425, 333-33120, 333-41056 and 333-41058 on Form S-8 and Numbers 33-43334 and 33-86300 on Form S-3

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated May 17, 2001 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
June 13, 2001

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 May 5, 2001 and April 29, 2000, and the related condensed consolidated statements of operations, comprehensive income (loss) and cash flows for the thirteen week periods ended May 5, 2001 and April 29, 2000. These condensed consolidated financial statements are the responsibility of Venator Group, Inc. management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, 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 accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Venator Group, Inc. and subsidiaries as of February 3, 2001, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated March 7, 2001, 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 February 3, 2001, 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
May 17, 2001