

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **March 16, 2015**

Foot Locker, Inc.

(Exact Name of Registrant as Specified in its Charter)

New York
(State or other Jurisdiction
of Incorporation)

1-10299
(Commission File Number)

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

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

10120
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 7.01. Regulation FD Disclosure.

On March 16, 2015, Foot Locker, Inc.'s senior management team hosted an investor meeting in New York City and announced an updated set of growth initiatives, and a revised strategic framework, intended to further elevate its long-term financial performance for the period 2015 through 2020. A copy of the presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2. of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1 hereto (which has been furnished solely for this Item 7.01 and Exhibit 99.1), shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Foot Locker, Inc. presentation, dated March 16, 2015. |

SIGNATURE

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

FOOT LOCKER, INC.

Date: March 16, 2015

By: /s/ Lauren B. Peters

Name: Lauren B. Peters

Title: Executive Vice President and
Chief Financial Officer

FOOT LOCKER, INC.

Investor Meeting
March 16, 2015



Disclosure Regarding Forward-Looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws. Other than statements of historical facts, all statements which address activities, events, or developments that the Company anticipates will or may occur in the future, including but not limited to such things as future capital expenditures, expansion, strategic plans, financial objectives, dividend payments, stock repurchases, growth of the Company's business and operations, including future cash flows, revenues, and earnings, and other such matters, are forward-looking statements. These forward-looking statements are based on many assumptions and factors which are detailed in the Company's filings with the Securities and Exchange Commission, including the effects of currency fluctuations, customer demand, fashion trends, competitive market forces, uncertainties related to the effect of competitive products and pricing, customer acceptance of the Company's merchandise mix and retail locations, the Company's reliance on a few key vendors for a majority of its merchandise purchases (including a significant portion from one key vendor), pandemics and similar major health concerns, unseasonable weather, deterioration of global financial markets, economic conditions worldwide, deterioration of business and economic conditions, any changes in business, political and economic conditions due to the threat of future terrorist activities in the United States or in other parts of the world and related U.S. military action overseas, the ability of the Company to execute its business and strategic plans effectively with regard to each of its business units, and risks associated with global product sourcing, including political instability, changes in import regulations, and disruptions to transportation services and distribution. For additional discussion on risks and uncertainties that may affect forward-looking statements, see "Risk Factors" disclosed in the 2013 Annual Report on Form 10-K. Any changes in such assumptions or factors could produce significantly different results. The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events, or otherwise.

Presenters

Dick Johnson

President and Chief Executive Officer

Lauren Peters

Executive Vice President and Chief Financial Officer

Jake Jacobs

President and Chief Executive Officer

Foot Locker North America

Dowe Tillema

President and Chief Executive Officer

Footlocker.com/Eastbay

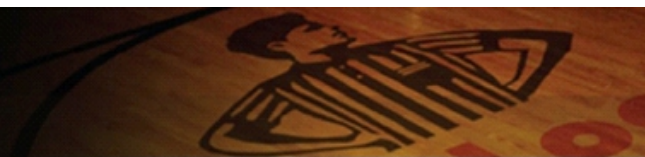
Agenda

Progress against 2012 – 2016 Plan

2015 – 2020 Strategic Plan

New 2020 Goals

2012-2016 Strategic Plan



OUR VISION

To be the leading global retailer of athletically inspired shoes and apparel.

EXECUTE STRATEGIES

- Create a clear **customer focus** to drive performance in our **core athletic banners**
- Make our stores and Internet sites more **exciting, relevant places to shop and buy**
- Deliver exceptional growth in **high-potential business segments**
- Aggressively pursue brand **expansion opportunities**
- Increase the **productivity** of all of our assets
- Build on our industry **leading retail team**

ACHIEVE RESULTS

**BE A TOP
QUARTILE
PERFORMER**

- Sales: **\$7.5 B**
- Sales per gross square foot: **\$500**
- EBIT: **11%**
- Net Income: **7%**
- ROIC: **14%**
- Inventory Turns: **> 3.0**

Create a clear *Customer Focus*

Strategy:

Create a clear customer focus to drive performance in our core athletic banners

Key Accomplishments:

- Further amplified banner segmentation
- Elevated store presentation and strengthened product mix
- Developed stronger vendor collaborations, creating exciting store and online destinations
- Created powerful, memorable marketing campaigns and extended media capabilities

Performance ←

→ Lifestyle

| |  |  Foot Locker |  CHAMPS SPORTS WE KNOW GAME | FOOTACTION  |
|---------------------|--|--|--|--|
| <i>Platform</i> | FIRST CHOICE FOR ATHLETES | APPROVED | WE KNOW GAME | OWN IT |
| <i>The Wardrobe</i> |  |  |  |  |

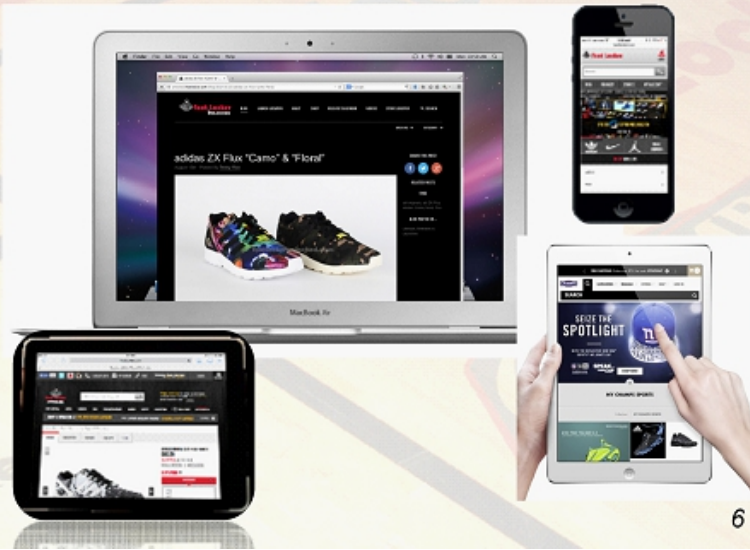
Make our stores and internet sites more *Exciting and Relevant*

Strategy:

Make our stores and internet sites more exciting, relevant places to shop and buy

Key Accomplishments:

- Created new store environments to deliver powerful product stories
- Enhanced customer communication across channels
- Increased customer engagement with compelling digital and store experiences
- Implemented new associate hiring and training tools to better serve our customers



Deliver exceptional growth in *High-Potential Business Segments.*

Strategy:

Deliver exceptional growth in high-potential business segments

Key Accomplishments:

- Expanded Kids' to play a more significant role in all of our businesses
- Developed a brand new women's concept, SIX:02, and stabilized Lady Foot Locker
- Continued to build Team Services and Sales business



Aggressively pursue brand *Expansion Opportunities*.

Strategy:

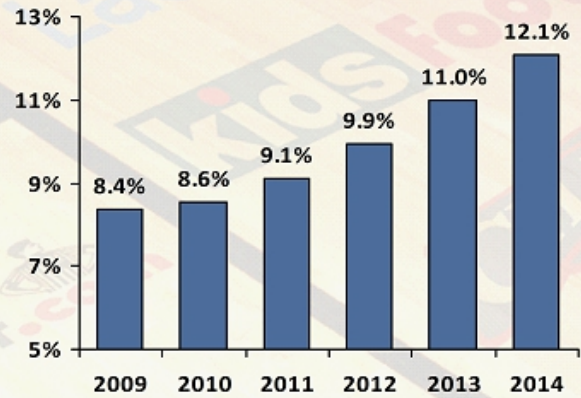
Aggressively pursue brand expansion opportunities



Key Accomplishments:

- Aggressively built digital sales to 12.1 percent of total sales
- Strengthened presence in Europe through the acquisition of Runners Point Group
- Expanded vendor partnerships, such as House of Hoops and Nike Yardline, Puma Lab, and adidas Collective
- Began testing and development of new brand concepts

Direct-to-Consumer Percent of Sales



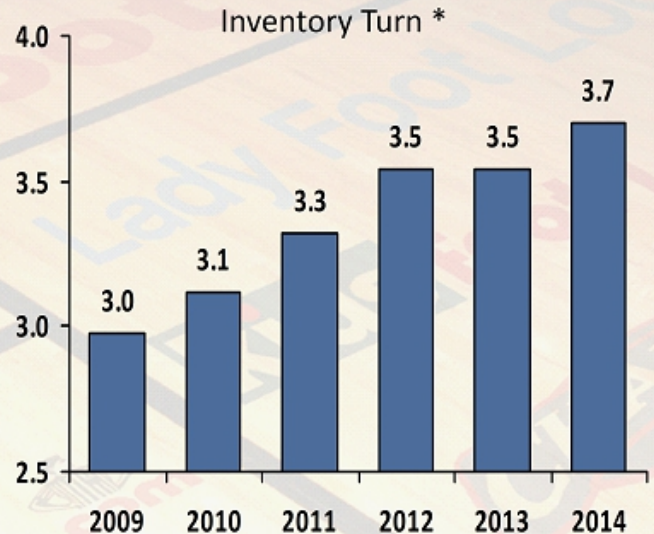
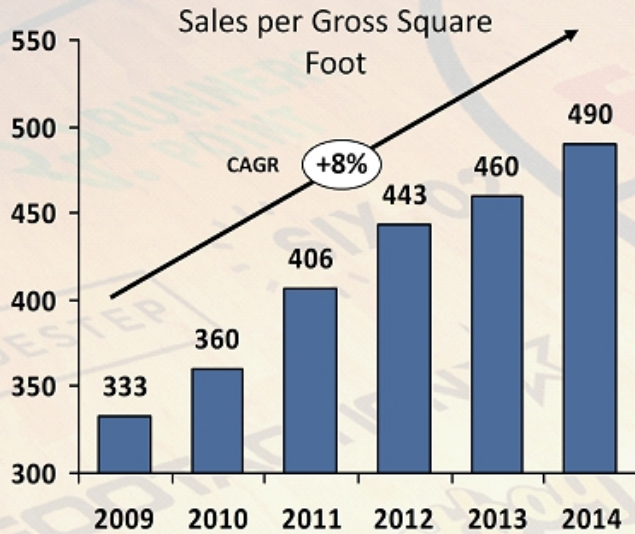
Increase the *Productivity* of All of Our Assets

Strategy:

Increase the productivity of all of our assets

Key Accomplishments:

- Drove significant increases in key metrics: sales per gross square foot, inventory turnover, and return on invested capital
- Significantly increased selling staff productivity
- Improved space planning and performance
- Enhanced inventory visibility across channels



* Calculated externally as COGS divided by Average Inventory (Five Quarters). Our official 3X Inventory Turn goal is based on proprietary internal measures.

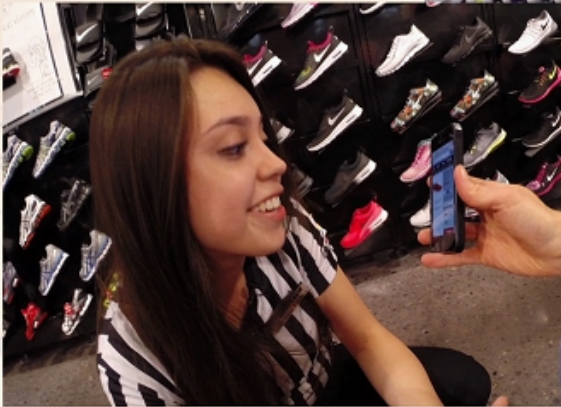
Build On Our Industry *Leading Retail Team*

Strategy:

Build on our industry leading retail team

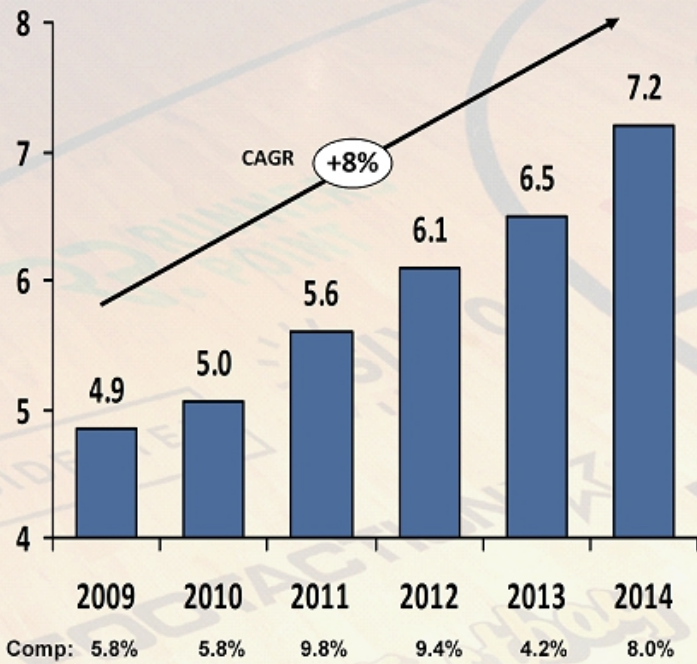
Key Accomplishments:

- Implemented a new applicant hiring system
- Installed a new labor scheduling tool
- Enhanced associate training programs
- Created a new global leadership model

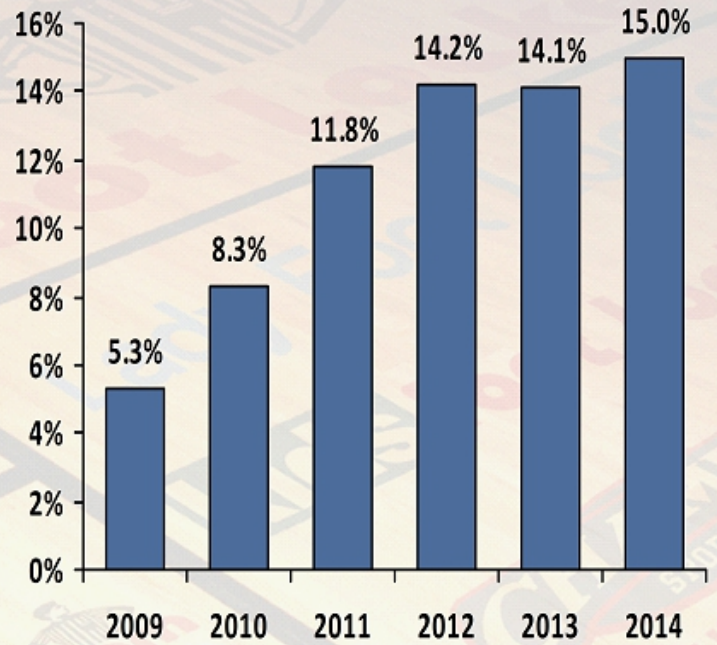


Our *Performance* has continued to be strong

Sales (in \$ billions)

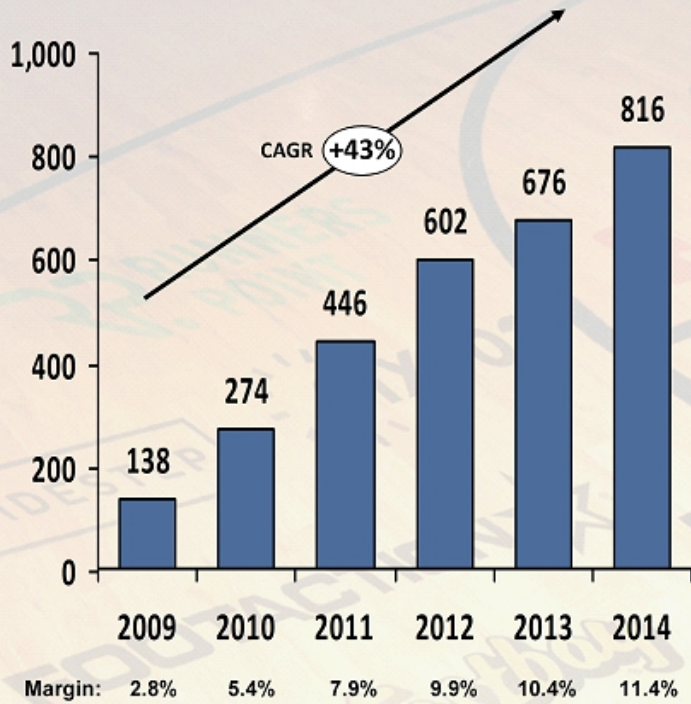


Return on Invested Capital

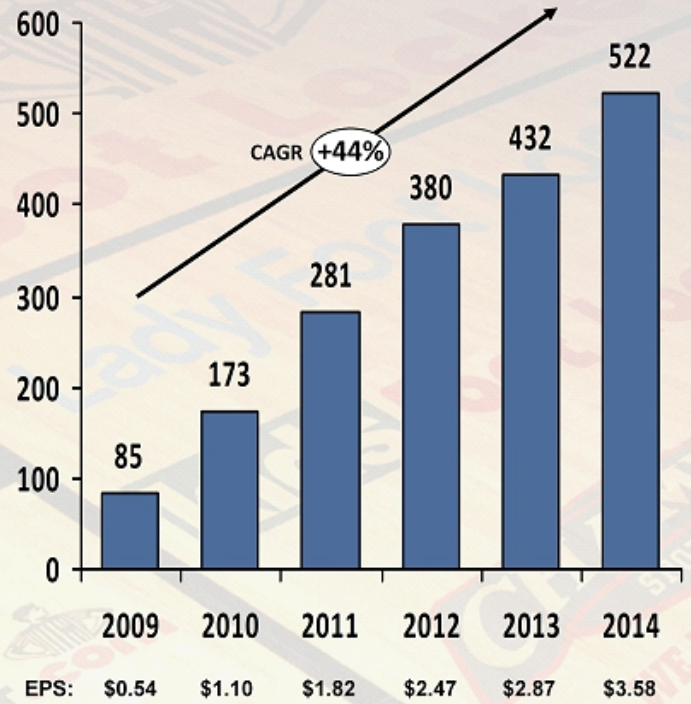


Our *Performance* has continued to be strong

EBIT (in \$ millions)



Net Income (in \$ millions)



Note: Values represent non-GAAP results.

We have already **achieved** many of our current objectives

| | <u>2009</u> | <u>Original 5-Year Plan Objective</u> | <u>2014</u> | <u>Current Long- Term Objective</u> |
|--------------------------------------|-------------|---|-------------|---|
| Sales (billions) | \$4.9 | \$6.0 | \$7.2 | \$7.5 |
| Sales Per Gross Square Foot | \$333 | \$400 | \$490 | \$500 |
| Earnings Before Interest and Taxes % | 2.8% | 8.0% | 11.4% | 11.0% |
| Net Income % | 1.8% | 5.0% | 7.3% | 7.0% |
| Return on Invested Capital | 5.3% | 10.0% | 15.0% | 14.0% |

Footnote:

Our original objectives were established in early 2010 and replaced by the current long-term objectives in early 2012.

Note: Certain values represent non-GAAP results.

Agenda

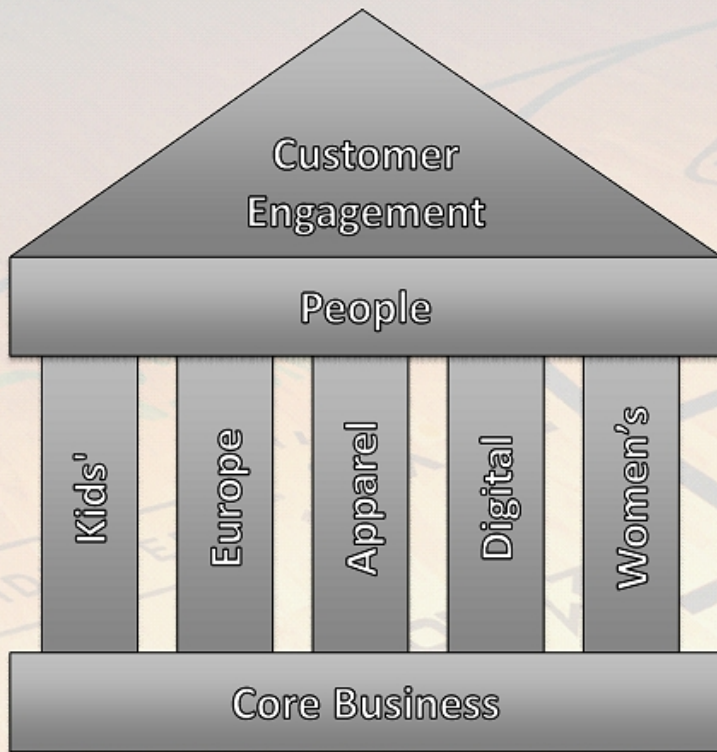
Progress against 2012 – 2016 Plan

2015 – 2020 Strategic Plan

New 2020 Goals

2015 – 2020 Strategic Plan

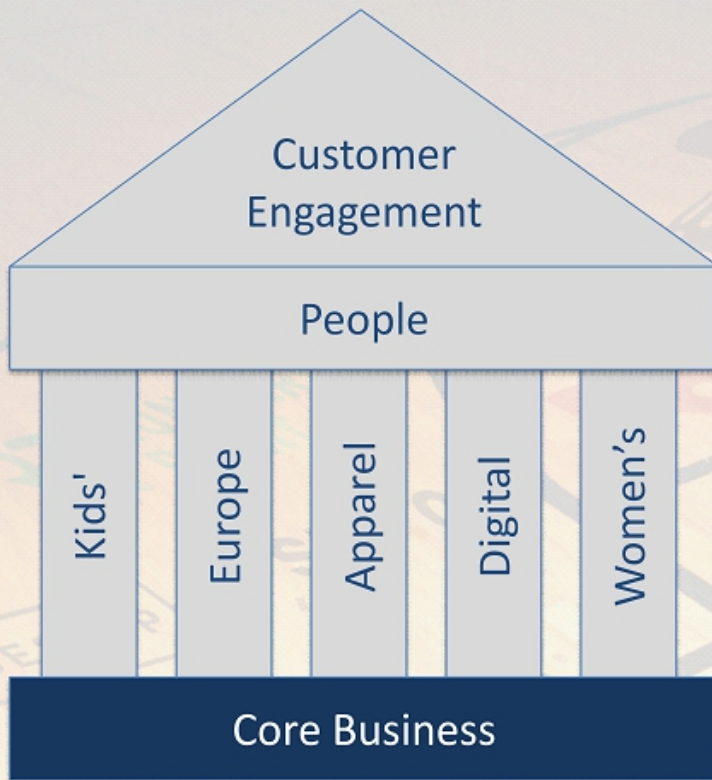
New Strategic Framework



New Strategic Priorities

- 1 Drive performance in the **Core Business** with compelling customer engagement
- 2 Expand our leading position in **Kids'**
- 3 Aggressively pursue **European expansion** opportunities
- 4 Build **Apparel** penetration and profitability
- 5 Build a more powerful **Digital** business with customer-focused channel connectivity
- 6 Deliver exceptional growth in **Women's**
- 7 Build on our industry-leading team by embracing the power of our **People**

Drive performance in the core business with compelling customer engagement



Core business: Selling basketball, running, and casual footwear in our men's stores in the United States.

Key Actions

1. Create fresh, engaging store environments
2. Promote and extend our brands and stores through 360° marketing to best reach our customers at all touch points
3. Provide our sales associates with the tools and training to best serve our customers
4. Build a highly-compelling, locally-relevant footwear and apparel assortment
5. Leverage our strength as the power player in Running, Basketball, and Classic shoes

Core Business: 1) Create fresh, engaging store environments

Continue store remodel programs



Tyrone Design

Core Business: 1) Create fresh, engaging store environments

Continue store remodel programs



Willowbrook Design

Core Business: 1) Create fresh, engaging store environments

Continue store remodel programs



Garden State Plaza Design

Core Business: 1) Create fresh, engaging store environments

Expand innovative vendor partnerships



House of Hoops by Foot Locker

Core Business: 1) Create fresh, engaging store environments

Test, develop, and expand innovative vendor partnerships



α-Standard at Foot Locker



Puma Lab at Foot Locker

Core Business: 1) Create fresh, engaging store environments

Test, develop, and expand innovative vendor partnerships



Flight 23 at Footaction

Core Business: 1) Create fresh, engaging store environments

Test and develop innovative vendor partnerships



Kicks Lounge at Footaction



Core Business: 1) Create fresh, engaging store environments

Test, develop, and expand innovative vendor partnerships



adidas Collective at Footaction

Core Business: 1) Create fresh, engaging store environments

Test, develop, and expand innovative vendor partnerships



Nike Yardline at Champs Sports

Core Business: 2) Promote and extend through 360° marketing

Powerful Content:

- Increase investment in and development of content
- Shift investments from traditional media buys to digital while also capturing viral opportunities
- Integrate marketing content into banner websites



THE WEEK OF GREATNESS



Grassroots and experience-based engagement



Core Business: 2) Promote and extend through 360° marketing

Social Media:

- Connect with our customers through social media and increase two-way dialogue
- Drive platform innovation
- Expand customer analytics



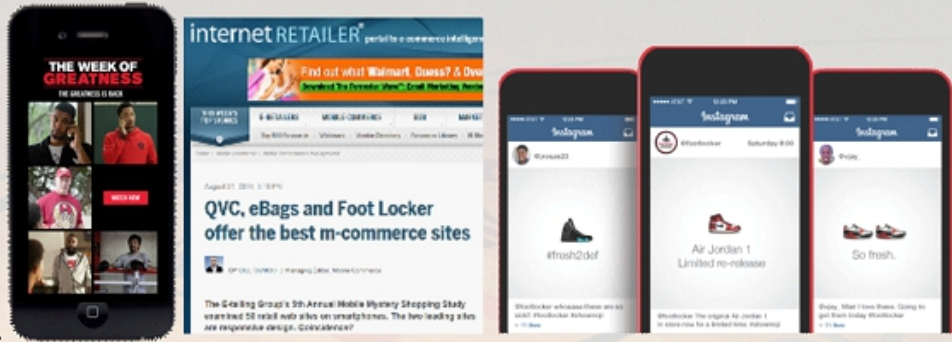
Build community connections



Core Business: 2) Promote and extend through 360° marketing

Mobile:

- Grow mobile and cross-channel commerce over next five years
- Increase investment in mobile content and media
- Develop and deliver new banner APPs

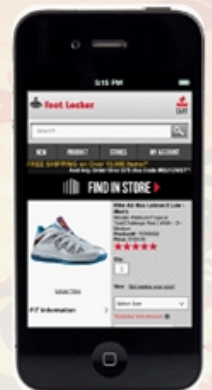
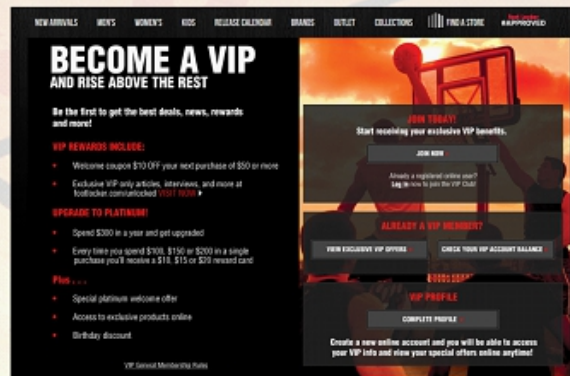


Loyalty:

- Increase effectiveness of our Loyalty programs

Consolidated Customer Database:

- Leverage newly-accessible cross-channel view of the customer

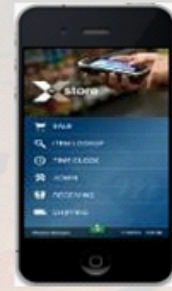


Core Business: 3) Provide our sales associates with tools and training



Upgrade POS Application and Extend Rollout of Handhelds

- Provides integrated cross channel inventory visibility



Invest in a new Learning Management System



Expand Traffic Counting Capability

- Connects with labor management system to enhance scheduling efficiency
- Drives productivity and sales per hour

Core Business: 4) Build a highly-compelling, locally-relevant footwear and apparel assortment

New Merchandise Allocation System:

Will get the right product, in the right size, in the right store, at the right time.

In turn, this will lead to:

- Faster turns
- Lower markdowns
- Lower freight expense

Next Steps:

- Phase 2: Order planning pilot and rollout

Business Intelligence:

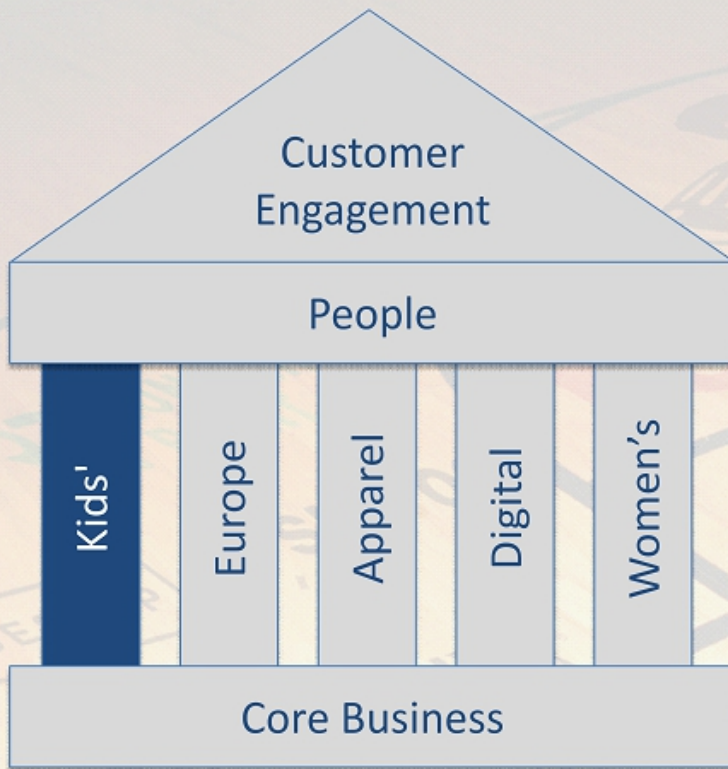
Utilize Business Intelligence tool to strengthen sales analytics and inventory productivity

- Identify customer buying patterns
- Optimize product sell-throughs
- Identify "lost sales" more quickly
- Provide enhanced cross-channel visibility
- Improve operational KPIs at the store operations level

Core Business: 5) Leverage our strength as the power player in Running, Basketball, and Classic Shoes



Expand our leading position in Kids'



Key Actions

1. Develop Kids' business globally
2. Drive a full-family experience by building connectivity with parents and kids in stores and online
3. Leverage our strength as the power player for kids in Basketball, Running, and Classic shoes, and Apparel

Kids: 1) Develop Kids' business globally

- **Grow Kids Foot Locker store base domestically and internationally**
- **Elevate store environment through successful vendor partnerships**



| KFL Fly Zone store count | | |
|--------------------------|------------|----------------|
| | 2014 Total | 2020 Potential |
| Total Stores | 7 | 100+ |



| KFL U.S. store count | | |
|----------------------|------------|----------------|
| | 2014 Total | 2020 Potential |
| Total Stores | 338 | 450+ |



| KFL (International) store count | | |
|---------------------------------|------------|----------------|
| | 2014 Total | 2020 Potential |
| Total Stores | 19 | 60+ |

Kids: 2) Drive a full-family experience

Create a fun and exciting environment in store and online

- Tell stronger stories
- Provide fun features to engage kids
- Develop omni-channel connectivity
- Provide fun and informative online content for kids and parents

kids Foot Locker
GO BIG



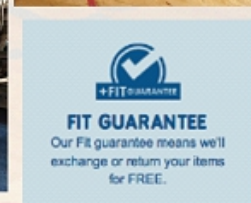
Kids: 2) Drive a full family experience

Connect with both kids and parents

- Inspire kids with powerful content
- Build trust, excite, and inform parents

Strengthen our community relationships

- Strong cause marketing



kids Foot Locker.



BOYS & GIRLS CLUBS
OF AMERICA



Kids: 3) Leverage our strength as the power player for kids in Basketball, Running, and Classic shoes, and Apparel

kids Foot Locker.

Kids' objectives – all banners

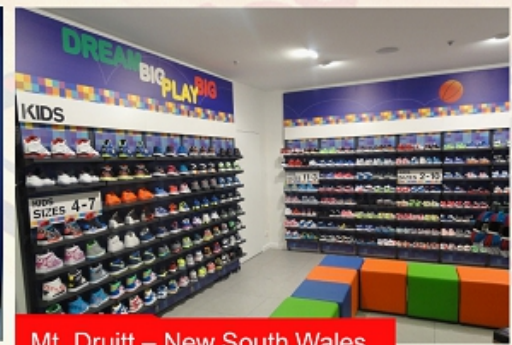
- Continue to lead in:
 - Lifestyle Running
 - Signature Basketball
 - Classics
 - Apparel



Foot Locker

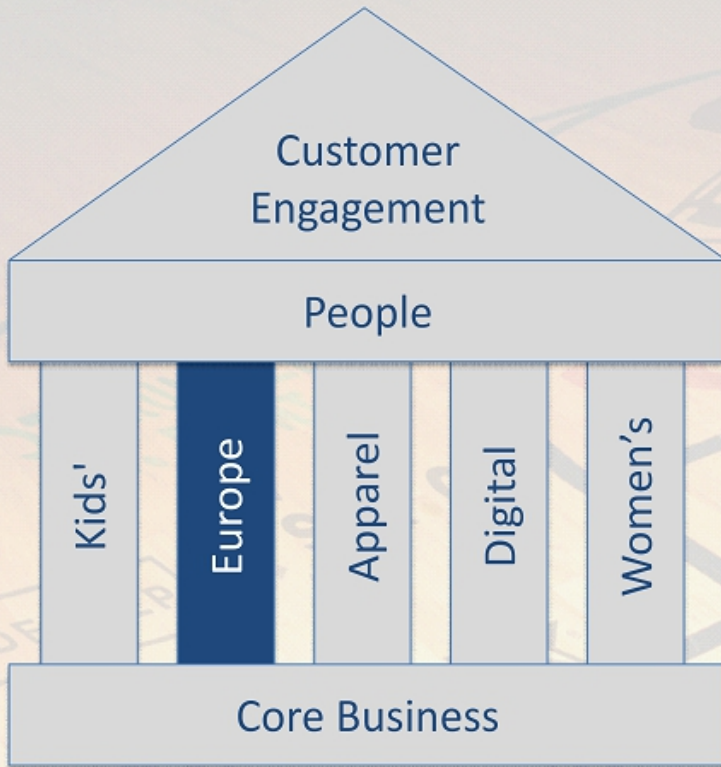


Eastbay



Mt. Druitt – New South Wales

Aggressively pursue European expansion opportunities



Key Actions

1. Continue to expand Foot Locker banner in opportunity markets
2. Expand Runners Point and Sidestep into additional countries
3. Leverage our strength as a power player in key product categories – Running, Basketball, Women's, Kids', Casual, and Apparel
4. Build capability for substantial digital growth

Europe: 1) Continue to expand Foot Locker banner

Leverage banner portfolio and tailor the business model to fit each market's local needs

Right Market

Right Brand

Right Location

Right Size

Right Layout



Europe: 1) Continue to expand the Foot Locker banner



Europe: 2) Expand Runners Point and Sidestep into additional countries



Europe: 3) Leverage our strength as a power player in key product categories – Running, Basketball, and Lifestyle

Running

- Lead through innovation
- Build modern comfort category
- Create launch culture



Basketball

- Increase House of Hoops footprint
- Stronger messaging around signature launches
- Drive the Jordan brand
- Leverage key events



Lifestyle

- Lead court revival
- Partner with vendors to drive apparel
- Power stories across channels



Europe: 3) Leverage our strength as a power player in Apparel

Rebuild Apparel Penetration

- **Introduce two pillar strategy**
 - Leverage our sports heritage
 - Basketball
 - Running
 - Soccer
 - Amplify lifestyle apparel
- **Refine our product focus**
 - Build a more premium product offering
- **Elevate the consumer experience**



Europe: 3) Leverage our strength as a power player in Women's and Kids'

Women's

- Enhance our storytelling
- Expand destination zones in key stores



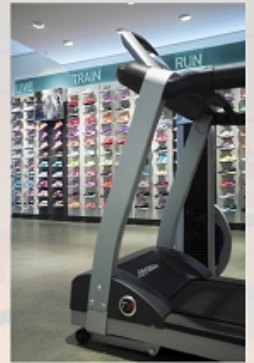
Kids'

- Increase Kids Foot Locker footprint
- Stand for the latest and greatest athletic trends
- Apparel – Build on basketball, link to modern comfort running, maximize lifestyle soccer
- Fine-tune product mix and sizing



Runners Point product focus

- **Running**
 - **Women's**
 - **Apparel**
- Present assortment under Run-Train-Live umbrella
 - Emphasize Performance, maintain Lifestyle running
 - Focus on key brands
 - Leverage connection to performance footwear
 - Utilize Private Label to fill product gaps



Sidestep product focus

- **Lifestyle**
- Focus on athletic lifestyle and fashion footwear
 - Increase Women's footwear
 - Target premium non-athletic footwear brands
 - Increase digital sales penetration



Europe: 4) Build capability for substantial digital growth

Develop banner-specific digital plans

- Create more content, emphasize local
- Expand launch calendars
- Create targeted mobile advertising
- Expand digital footprint to new markets



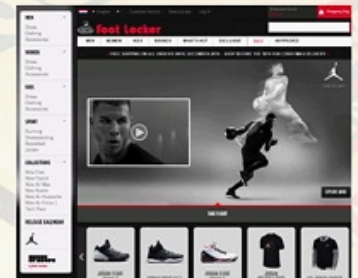
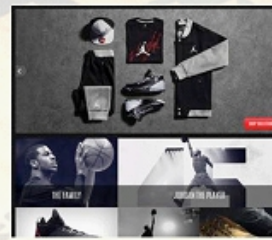
Leverage best practices globally

- All campaigns to have mobile elements
- Full site responsive design
- Consolidated customer support

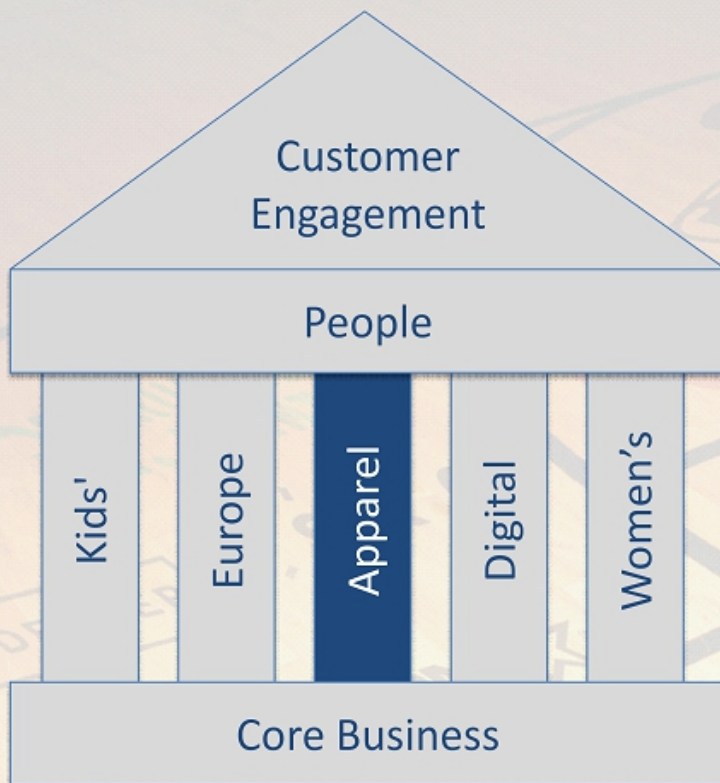


Build organizational capability

- Agile front-end development
- Enable testing and rapid deployments
- Grow in-house content creation



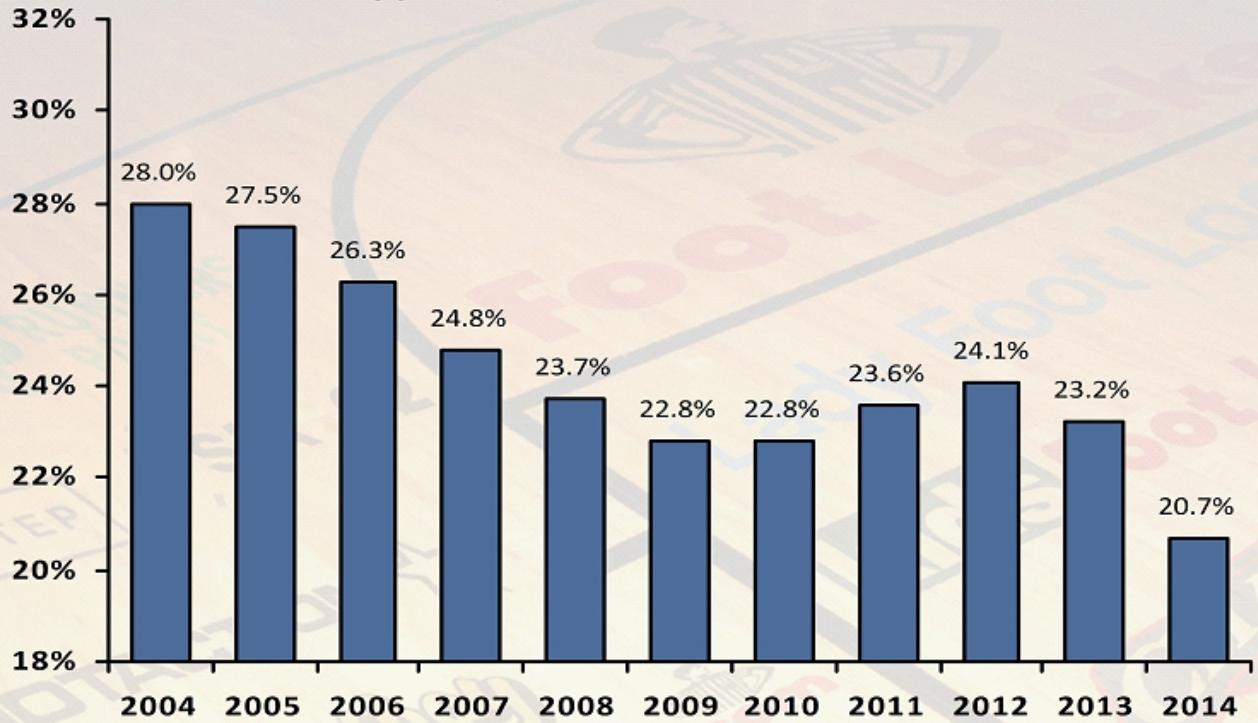
Build Apparel penetration and profitability



Key Actions

1. Enhance banner segmentation by clearly identifying the role of each brand and apparel category
2. Strengthen capabilities by investing in talent and tools
3. Improve responsiveness and speed to market by working with existing vendors and expanding vendor base
4. Improve presentation across the fleet and display full brand stories
5. Actively manage product life cycles

Apparel / Accessories Penetration



Apparel: 1) Enhance banner segmentation

Aspirational role:

Item driven

Assortment

Collection

Presentation examples:



Characteristics:

- Focus on depth
- Core categories
- Minimal space allocation
- Limited vendors

- Focus on depth and breadth
- Core Plus categories
- Space investment
- Use of Private Label to fill in range

- Focus on product range breadth
- Adjacent categories
- Vendor breadth
- Higher markdowns
- Faster turn

Divisions:



Apparel: 1) Enhance banner segmentation

Develop compelling and differentiated apparel assortments in each of our banners

- Building off the success of our banner differentiation in footwear, establish an apparel strategy that:
 - also clearly differentiates each banner
 - manages assortment overlap
 - levers our breadth of store formats
- Partner with key vendors on these differentiation strategies
- Establish a Private Label sourcing model emphasizing speed to market
- Narrow our licensed apparel assortments and focus on locally-relevant items



Apparel: 2) Strengthen capabilities by investing in talent and tools

Invest in talent and utilize resources to strengthen our capabilities

- Increase our focus on the recruitment and development of talented apparel merchants
- Invest in training and development of our store associates' ability to present and sell apparel



Apparel: 3) *Improve responsiveness and speed to market*

Improve our responsiveness in order to increase our turns and keep our inventory fresh

- Partner with vendors to deliver enhanced speed-to-market
- Deliver premium assortments to differentiate from competition and vertical retailers
- Utilize a new testing process to respond to emerging trends
- Enhance our Private Label assortments by reducing lead times and staying closer to market



Apparel: 4) Improve presentation across the fleet

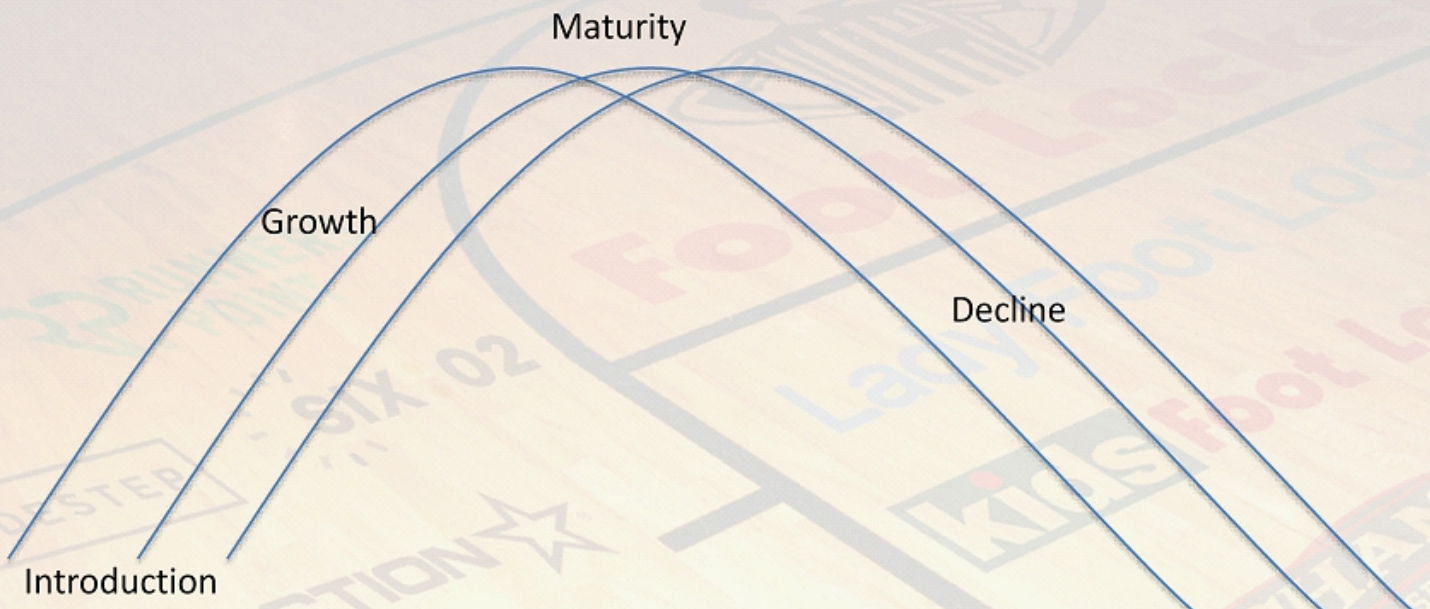
Elevate our merchandise presentation across all of our banners

- Leverage our store remodels and vendor partnerships to elevate in-store merchandising of apparel
- Maximize our partnership with key vendors to tell complete brand stories
- Utilize space planning to optimize fixture assortments and tell more meaningful stories
- Develop and test new merchandising ideas

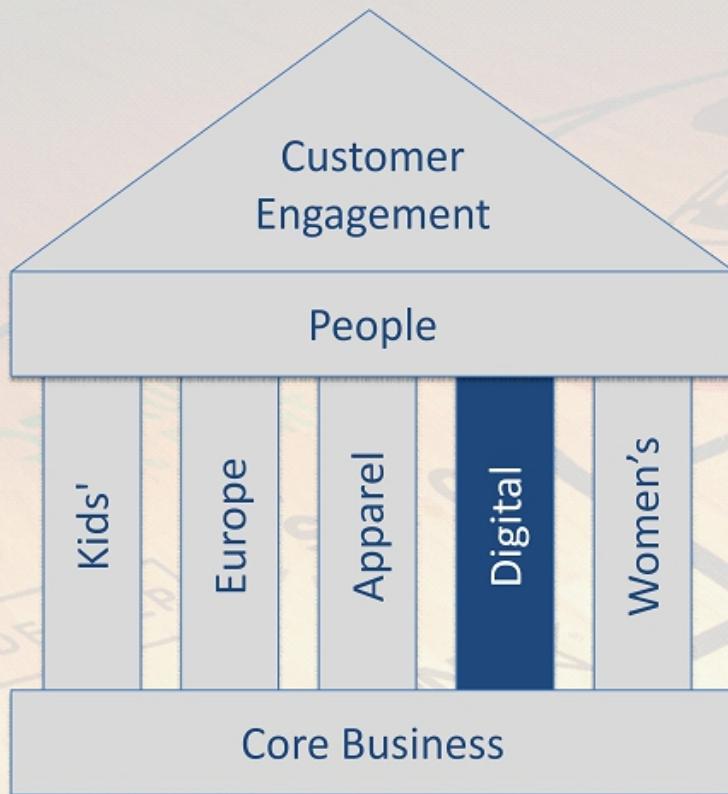


Apparel: 5) Actively manage product life cycles

Life Cycle Management



Build a more powerful Digital business with customer-focused channel connectivity



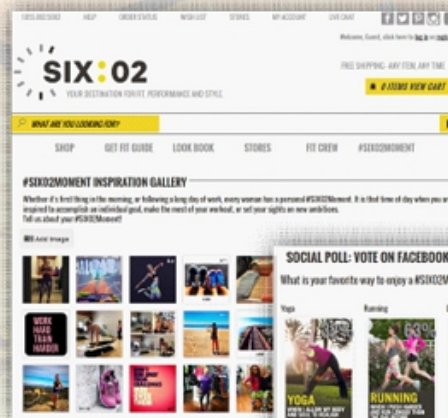
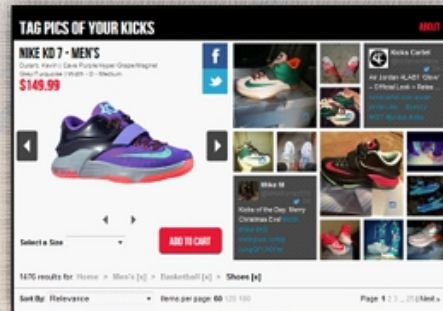
Key Actions

1. Create a more engaging, personalized digital experience that reflects each brand's essence
2. Invest in technology platforms that deliver a high quality, coordinated shopping experience online, in-store, and on mobile
3. Meet customer needs by leveraging our entire company's capabilities

Digital: 1) Create a more engaging, personalized digital experience

Drive excitement and traffic through more engaging content, including:

- Customer-generated content
- Meaningful information
- Inspirational stories
- Social conversations
- Expanded use of videos to capture viral opportunities



Digital: 1) Create a more engaging, personalized digital experience

Test different digital experiences to understand what best engages the customer

- Continually test our sites to:
 - Measure different experiences and preferences
 - Determine optimal presentation and interaction to drive shop and buy behavior
 - Benchmark performance
- Use focus groups to test scenarios
- Make changes and deploy them to one, some, or all banners



Digital: 1) Create a more engaging, personalized digital experience

Leverage our consolidated customer database to engage customers directly and tailor the experience

- The database provides us with a single view of the customer, allowing for a more personalized interaction
- The database also allows us to identify previously unknown customers (e.g., in-store cash shoppers)



Continue to place significant investment in mobile technology

- Our mobile investment has produced a superior customer experience, which has garnered industry recognition



Continue investing in our technology platform to expand our capability and improve the customer experience

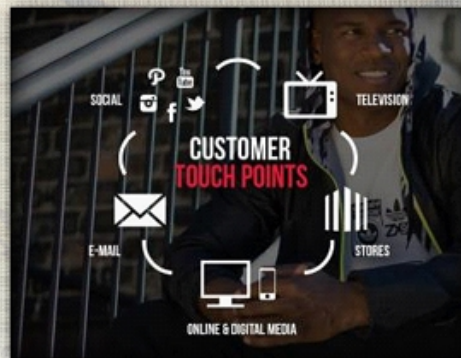
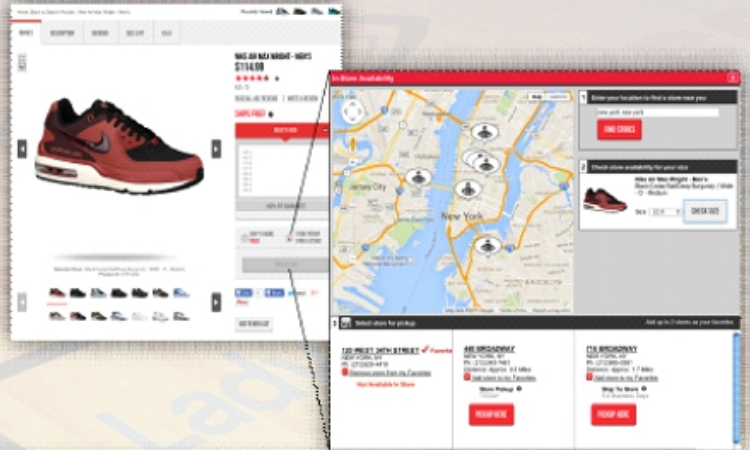
- New capabilities, functions, and features
 - Replace current Order Management System / ERP platform with a more powerful, scalable platform
 - Upgrade warehouse management system to improve efficiencies
 - Implement new customer-facing functions and features to enhance customer experience

Digital: 3) Meet customer needs by leveraging our entire company's capabilities

Leverage our powerful omni-channel capabilities

Expanded access to inventory provides a significant opportunity for higher margins

- Greater inventory visibility and accessibility
 - Stock locator
 - Buy online, ship from store (BOSS)
 - Buy online, reserve in-store (BORIS)
 - Same day delivery
 - Handhelds
- 360° touch points drive greater customer interactions



Digital: 3) Meet customer needs by leveraging our entire company's capabilities

Unique cross-divisional opportunities - Eastbay Performance Zone

- Shop within a shop concept (Eastbay and Champs Sports)
- Continue to refine the digital experience
- Expand sport and product offerings
- Adjust more rapidly to changing sports seasons
- Expand Eastbay Performance Zone test



Digital: 3) Meet customer needs by leveraging our entire company's capabilities

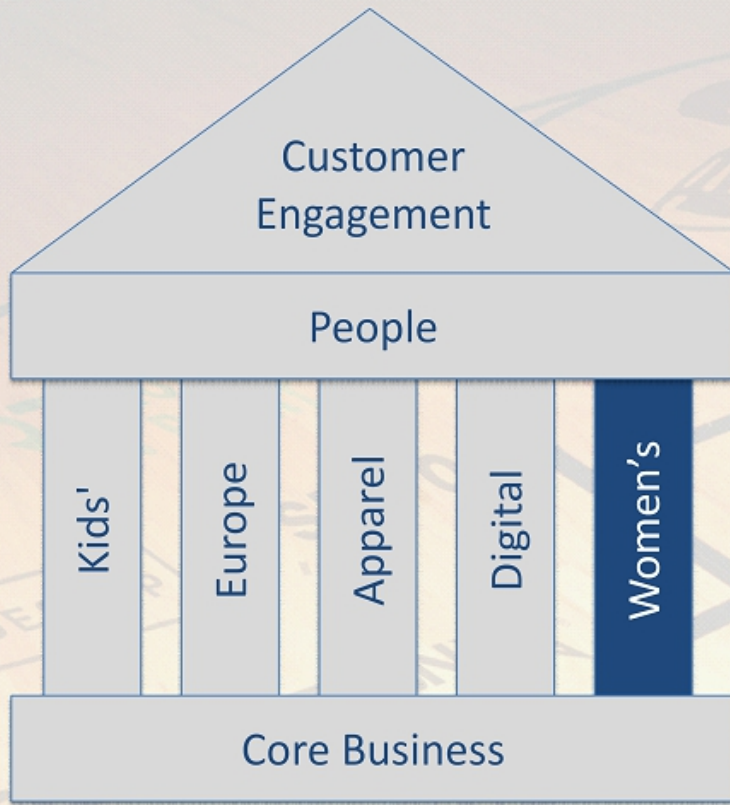
Leverage our heritage advantages - Eastbay Team Sales

Eastbay Team Sales growth

Growth opportunities in new and current states



Deliver exceptional growth in Women's



Key Actions

1. Develop SIX:02 into our primary Women's brand
2. Strengthen SIX:02 customer connection by building brand awareness and providing superior online and store experiences
3. Build apparel through vendor partnerships and diversifying the vendor base
4. Expand Women's business to play a more significant role in all of our relevant banners

Women's competitive overview

Women's Athletic Specialty



Non-Athletic Specialty



Athletic Sporting Goods



Women's athletic market

- A hot market – many new entrants – “athleisure”
- Strong apparel growth, led by tights / bottoms
- Fashion sneaker presence
- High customer expectation for fit, function & style

Digital



Department Stores



Vendor



Women's: 1) Develop SIX:02 into our primary Women's brand



2012

- Defined the concept
- Launched the business
- 3 stores in November

2013 / 2014

- Launched SIX02.com
- 12 new stores
- Began market based expansion

2015

- 20 new stores planned
- Refine concept
- Begin to build national awareness

2016 & beyond

Aggressively expand brand

+++

TOTAL STORES

3

15

35

Women's: 1) Develop SIX:02 into our primary Women's brand

Key Levers for Building the Brand

- **Customer focus**
 - Clearly defined core customer
 - Know and meet her needs
- **Product**
 - Develop a curated, elevated assortment
 - Create strong stories styling her athletic life
 - Coordinate footwear, apparel, and accessories
- **Experience**
 - A store designed for her
 - Deliver a strong service model
 - Convey compelling digital experiences
- **Awareness**
 - Build the SIX:02 brand and community
 - Establish national, market, and local outreach programs



Women's: 2) Strengthen SIX:02 Customer Connection - Awareness

Lead with SIX02.com

- Increase awareness
- Tell power stories



Focus on Key Markets

- Geo-targeted media, digital
- Host keystone market events



Increase presence nationally

- Utilize digital, social, fitness influencers
- Build #six02moment campaign



Build on grassroots

- Fitness community outreach
- Plan local store events



Women's: 2) Strengthen SIX:02 Customer Connection - Experience

Elevate Storytelling

- Elevate visual storytelling
 - Power categories
 - Outfits and styling
- Develop a sense of urgency through “limited edition” products
- Align 360° messaging



Build a Leading Service Model for Her

- Deliver fit and styling services
- Build strong store teams who relate to our core customer
- Partner with stores on community outreach



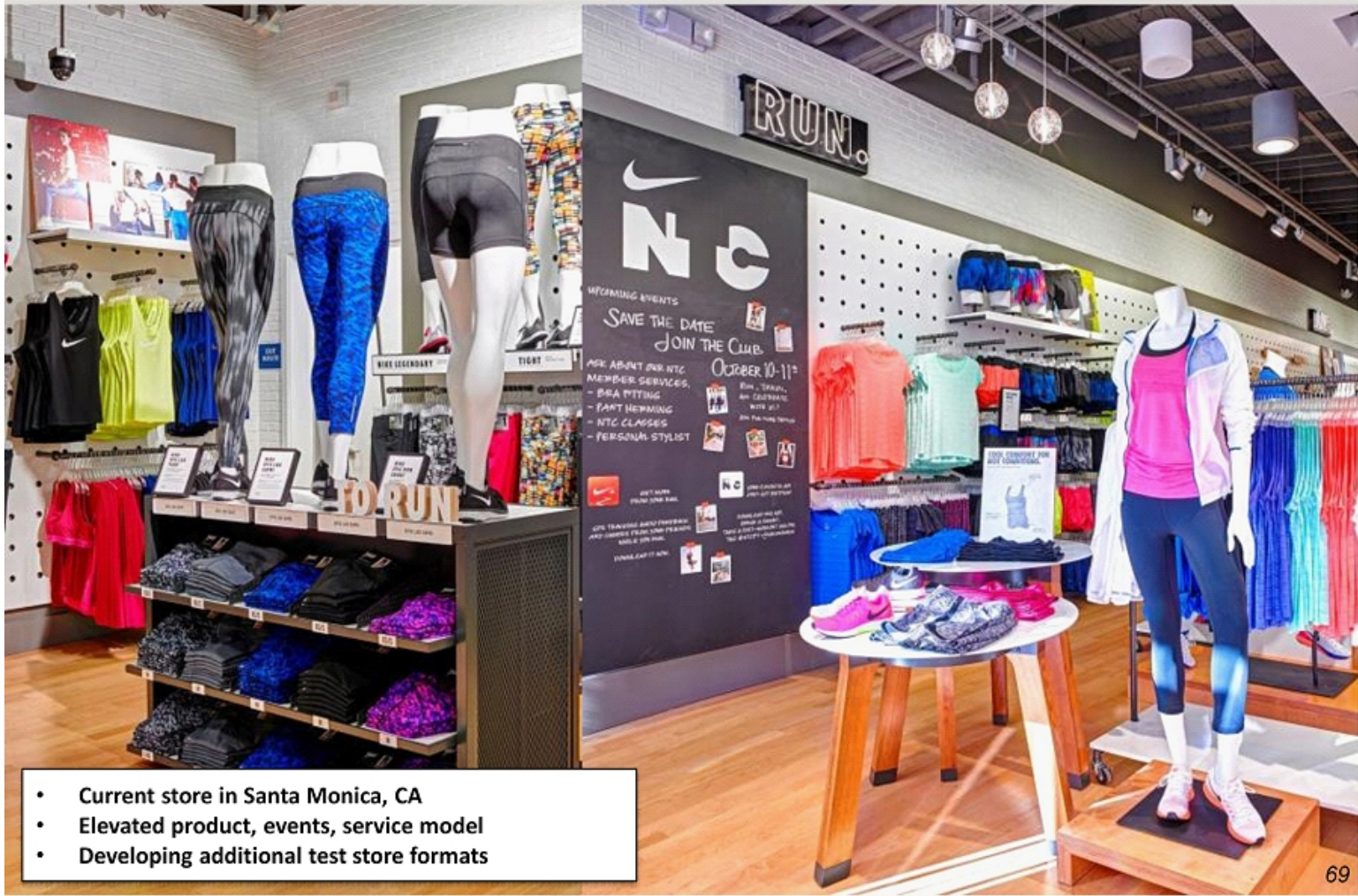
Women's: 3) Build apparel by expanding vendor base

Apparel remains key to her frequency of visits and purchases



- Develop vendor base and offering
- Build power categories (e.g., pants, sports bras)
- Tell fashion / outfit stories
- Enhance apparel business management tools and processes

Women's: 3) Build apparel through vendor partnership



- Current store in Santa Monica, CA
- Elevated product, events, service model
- Developing additional test store formats

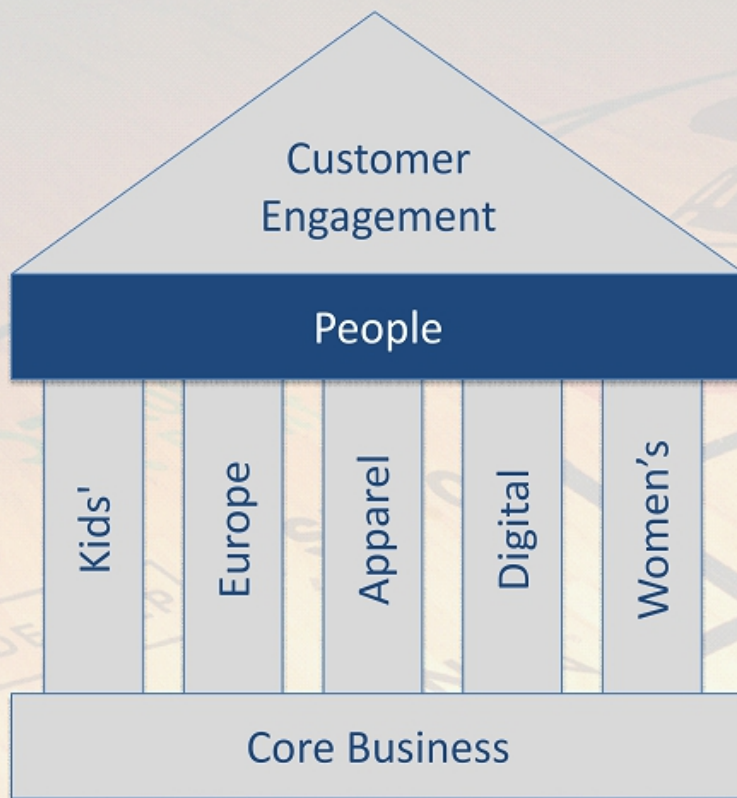
Women's: 4) Expand Women's business in all relevant banners

Key Strategies For Sales Growth In Other Banners

- Define core female customer for each banner
- Differentiate assortments for each banner's female customers
- Refine service model for female customers in each banner and geography



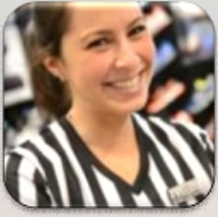
Build on our Industry-leading team by embracing the power of our people



Key Actions

1. **Build on our reputation as a great place to work with a strong culture and a highly-engaged work force**
2. **Attract and retain talent with a powerful and inclusive employment brand**
3. **Accelerate our capability to drive operational performance and enable associates to reach their full potential**
4. **Create a connected, diverse, and high-performing organization**

People: Maximize the potential of our People



Build on our reputation as a great place to work



Attract and retain talent



Accelerate capability to drive performance



Create a connected, diverse, and high-performing organization

Bench strength

Engagement

Retention

Foot Locker, Inc. Leadership



Core Values:

integrity, leadership, excellence, service, team work, innovation and community.

Leadership Levels:

Three levers that categorize the core dimensions of leadership: *Personal Passion, People Passion and Business Passion.*

Leadership Attributes:

Seven attributes that identify the expectations for Foot Locker, Inc. Leaders: *Be a Pro, Break Records, Build Capability, Bring Others Along, Play to Win, Focus on the Future and Love the Game.*

Critical actions summary (1/2)

Core

1. Create fresh, engaging store environments
2. Promote and extend our brands and stores through 360° marketing to best reach our customers at all touch points
3. Provide our sales associates with the tools and training to best serve our customers
4. Build a highly-compelling, locally relevant footwear and apparel assortment
5. Leverage our strength as the power player in Running, Basketball, and Classic shoes

Kids'

1. Develop Kids' business globally
2. Drive a full-family experience by building connectivity with parents and kids in stores and online
3. Leverage our strength as the power player for kids in in Basketball, Running, and Classic shoes, and Apparel

Europe

1. Continue to expand Foot Locker banner in opportunity markets
2. Expand Runners Point and Sidestep into additional countries
3. Leverage our strength as a power player in key product categories: Running, Basketball, Women's, Kids', Casual, and Apparel
4. Build capability for substantial digital growth

Critical actions summary (2/2)

Apparel

1. Enhance banner segmentation by clearly identifying the role of each brand and apparel category
2. Strengthen capabilities by investing in talent and tools
3. Improve responsiveness and speed to market by working with existing vendors and expanding vendor base
4. Improve presentation across the fleet and display full brand stories
5. Actively manage product life cycles

Digital

1. Create a more engaging, personalized digital experience that reflects each brand's essence
2. Invest in technology platforms that deliver a high quality, coordinated shopping experience online, in-store, and on mobile
3. Meet customer needs by leveraging our entire company's capabilities

Women's

1. Develop SIX:02 into our primary Women's brand
2. Strengthen SIX:02 customer connection by building brand awareness and providing superior online and store experiences
3. Build apparel through vendor partnerships and diversifying the vendor base
4. Expand Women's business to play a more significant role in all of our relevant banners

People

1. Build on our reputation as a great place to work, with a strong culture and a highly-engaged work force
2. Attract and retain talent with a powerful and inclusive employment brand
3. Accelerate our capability to drive operational performance and enable associates to reach their full potential
4. Create a connected, diverse, and high-performing organization

Agenda

Progress against 2012 – 2016 Plan

2015 – 2020 Strategic Plan

New 2020 Goals

2015 - 2020: New Goals

Be a top quartile performer

- Sales of **\$10 billion**
- Sales per Gross Square Foot **\$600**
- Earnings Before Interest and Taxes **12.5%**
- Net Income **8.5%**
- Return on Invested Capital **17%**
- Inventory Turnover **3+ times**

Financial Objectives By 2020

| | <u>2014</u> | <u>2020</u> <u>Objective</u> |
|--------------------------|--------------|---------------------------------|
| Gross Margin Rate | 33.2% | 33.5% - 34% |
| SG&A Rate | 19.9% | 18% - 19% |
| Depreciation Rate | 1.9% | 2.1% |
| EBIT Profit Rate | 11.4% | 12.5% |
| Net Income Rate | 7.3% | 8.5% |

Capital Allocation Strategy Through 2020

Capital Structure Objective

- Maintain financial flexibility required to execute strategic plan

Current Plan Requirements

- Capital expenditures
 - Average \$225 million per year
 - Average 50 – 60 net new stores worldwide - 2015 and beyond
- Fund shareholder dividends
- Execute share repurchase program

Near-term growth opportunities

Vendor partnerships

- Nike: House of Hoops, Yardline, Fly Zone, Jordan 23, Kicks Lounge
- adidas: adi Originals Collective and The a-Standard
- Puma: Performance Labs

Enhance running assortments

- Exciting running product, assorted by banner
- Knowledgeable associates to help customers choose the right product for their needs

Kids' business

- Success not only in our Kids Foot Locker business, but in the growth of our children's business across all banners, channels, and geographies

European growth

- Customer segmentation in Germany for Foot Locker, Runners Point, and SideStep
- Opportunity to grow the Foot Locker banner in existing markets, such as France, Poland, and Scandinavia

Store and digital alignment

- Invest in more engaging, entertaining, and shopper friendly sites
- Unparalleled cohesion between the customer store experience and the on-line experience
- Invest in technologies to enable our inventory to become accessible to all customers

Intermediate and long-term growth opportunities

Intermediate term

- Cumulative sales lift of store remodel programs
- Increase Apparel penetration and profitability
- Potential expansion of Runners Point and Sidestep banners outside their current markets
- Technology investments, such as our new merchandise allocation system
- Team sales and services

Long term

- Women's business
- True omni-channel operations

OUR VISION

To be the leading global retailer of athletically inspired shoes and apparel.

EXECUTE STRATEGIES

- Drive performance in the **Core Business** with compelling customer engagement
- Build **Apparel** penetration and profitability
- Expand our leading position in **Kids'**
- Build a more powerful **Digital** business with customer-focused channel connectivity
- Aggressively pursue **European expansion** opportunities
- Deliver exceptional growth in **Women's**
- Build on our industry-leading team by embracing the power of our **People**

ACHIEVE RESULTS

- Sales: **\$10 billion**
 - Sales per gross square foot: **\$600**
 - EBIT: **12.5%**
 - Net Income: **8.5%**
 - ROIC: **17%**
 - Inventory Turns: **> 3.0**
- BE A TOP QUARTILE PERFORMER

FOOT LOCKER, INC.

Investor Meeting
March 16, 2015



SIDESTEP

