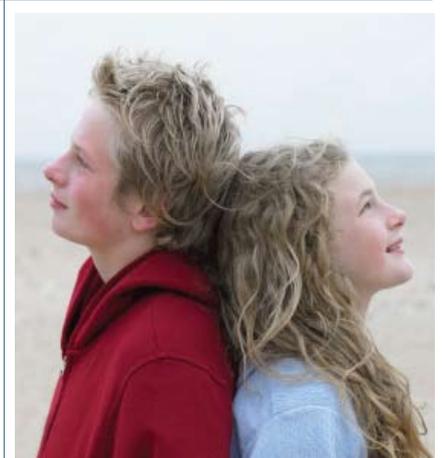
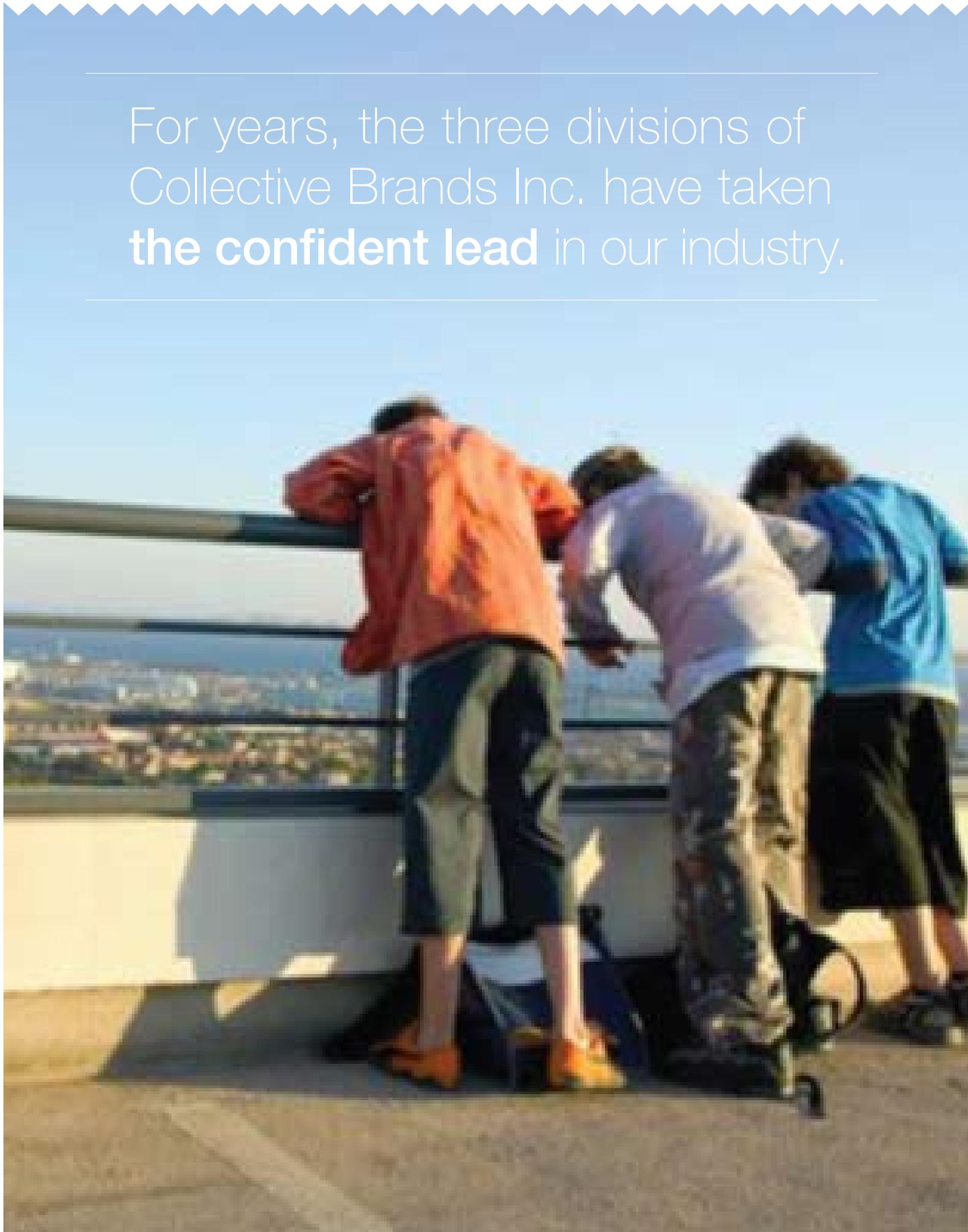




TOGETHER AT LAST **2008**



For years, the three divisions of Collective Brands Inc. have taken **the confident lead** in our industry.



## CBI OFFERS SUCCESS

As one of the largest footwear companies in the Western Hemisphere, Collective Brands Inc. offers the trust of a known name, experience from a proud history and extensive product volume. Our company encompasses three highly complementary and separate business units:

*Payless ShoeSource: A retail chain nearly 4,600 stores strong, making fashion and design in accessories and footwear accessible to all.*

*The Stride Rite Corporation: More than 300 stores centering on premium lifestyle, athletic branded, high-quality children's footwear.*

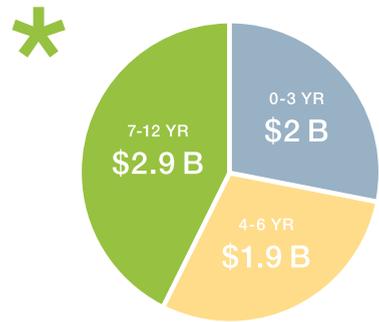
*Collective Licensing International: Specializing in brand management and global licensing of its expanding portfolio of youth, lifestyle and high-quality fashion athletic brands.*

AIRWALK  
AMERICAN EAGLE  
CHAMPION  
DEXTER  
DISNEY  
SHAQUILLE O'NEAL-ENDORSED DUNKMAN  
ABT FOR SPOTLIGHTS  
ABAETÉ  
LELA ROSE  
ALICE + OLIVIA  
STRIDE RITE  
KEDS  
SPERRY TOP-SIDER  
TOMMY HILFIGER FOOTWEAR  
SAUCONY  
HIND  
ROBEEZ  
VISION STREET WEAR  
LAMAR  
SIMS  
LTD

## Poised to create a stronger, expanded enterprise.

Each entity boasts leading iconic brands, superior quality and on-trend fashions, while maintaining distinct missions. Each one has unique product offerings, distribution channels, brand sets and target customer base. Through combined expertise and powerful portfolios, these three divisions are poised to create a stronger, expanded enterprise. We will reach out to an ever-broadening base of global consumers.

GENETIC  
DUKES  
RAGE  
ULTRA-WHEELS  
SKATE ATTACK



## UNDERSTANDING POTENTIAL



We've already seen success with the younger crowd. We've made strides with adult consumers. Now we are up to the challenge of attracting those in the middle. We have created a new concept that addresses the needs of an often-overlooked group of consumers. This untapped market of shoppers between the ages of 7 to 12 knows what it wants. And we are finally giving them a place to find it. This ground breaking endeavor is an exciting retail experience specifically to these kids.

Children's footwear is a multi-faceted industry that is attractive along a number of dimensions. Children represent 15% of the footwear market (24% in units), retaining sales of \$6.8 billion. And it is only increasing in size, with an annual growth of 7%—twice the rate of the rest of the market. However, the fragmentation of this industry has left a void for not only ages 7 to 12, but also in one-stop shopping convenience that would encompass all ages.

This is an opportunity to become involved in an exciting new venture.

No single retail store has a comprehensive offering of selections for kids 7 to 12 in one central location—until now. We are offering you an opportunity to become involved in a new venture; one that other retailers will imitate but never emulate. Not only will we carry the latest trends, we also create them. We understand that although this age group is in the middle, we think they belong at the top.

\* Children, ages one month to twelve-years-old represent a **\$6.8 billion footwear market.**

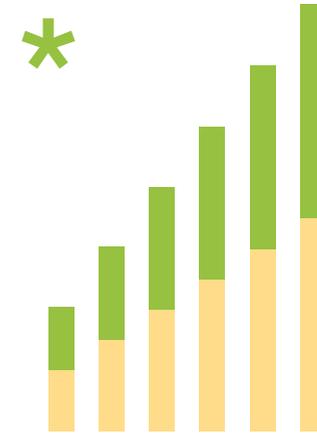


THERE ARE **357 MILLION** PAIRS OF CHILDREN'S SHOES SOLD EACH YEAR.





\* The children's footwear market is increasing at **twice the rate** of the rest of the market.



## BUILDING A TRULY UNIQUE DESTINATION

Shopping isn't the same for everyone. Children want an unbeatable selection of top brands and latest styles. Parents need a variety of prices and one-stop shopping convenience. More than just a shoe store, this unique lifestyle destination will provide a stimulating environment to meet both wants and needs. This CBI concept store presents a fashionable selection, breadth of product choice and price ranges, while offering an unbeatable assortment of brands and the latest lifestyle fashions.

Redefine the marketplace for shoe & accessory shopping in this age group.



Whether they need ballet slippers or soccer cleats, party flats or dress loafers, this one-stop footwear emporium will redefine the marketplace for shoe and accessory shopping in this age group without forgetting the younger child's needs. The stores will offer a full price, first-line assortment of popular brands for kids of all ages, while appealing specifically to the older age group and their parents with good/better/best pricing scales for promotional runs. And families won't have to travel far, with our locations being purposefully placed in their own communities.

This concept store will deliver fun, fantasy and fashion in a multi-branded environment. The entire experience, first selection to final sale, will be stylish and stimulating for every age, kids to parents. Every detail—name and logo, music and signage—will appeal to all the senses. An open floor plan with easy-to-navigate displays will add to the brand experience and overall store success.

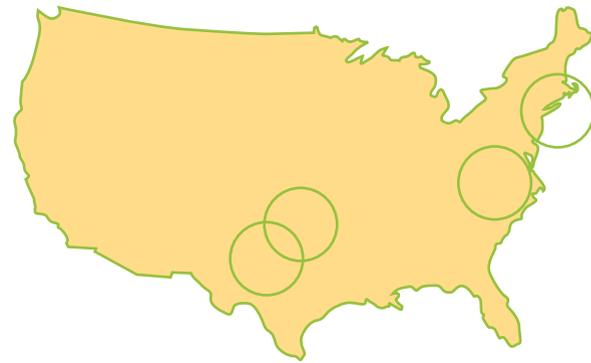
# FINDING THE IDEAL LOCATION

Similar to a great-looking shoe that doesn't fit, even the most unique store concept in the wrong location will not succeed. Choosing the perfect place for our endeavor was not a decision made lightly. Our strategy takes place in the forefront of where our audience is, what it needs and what will attract it to us.

We will be located in off-mall locations in major community shopping centers. We will be located in carefully researched and selected regions of upscale neighborhoods with a high concentration of 7 to 12 year olds. Our stores will be 3,000 to 4,000 square feet of retail space.

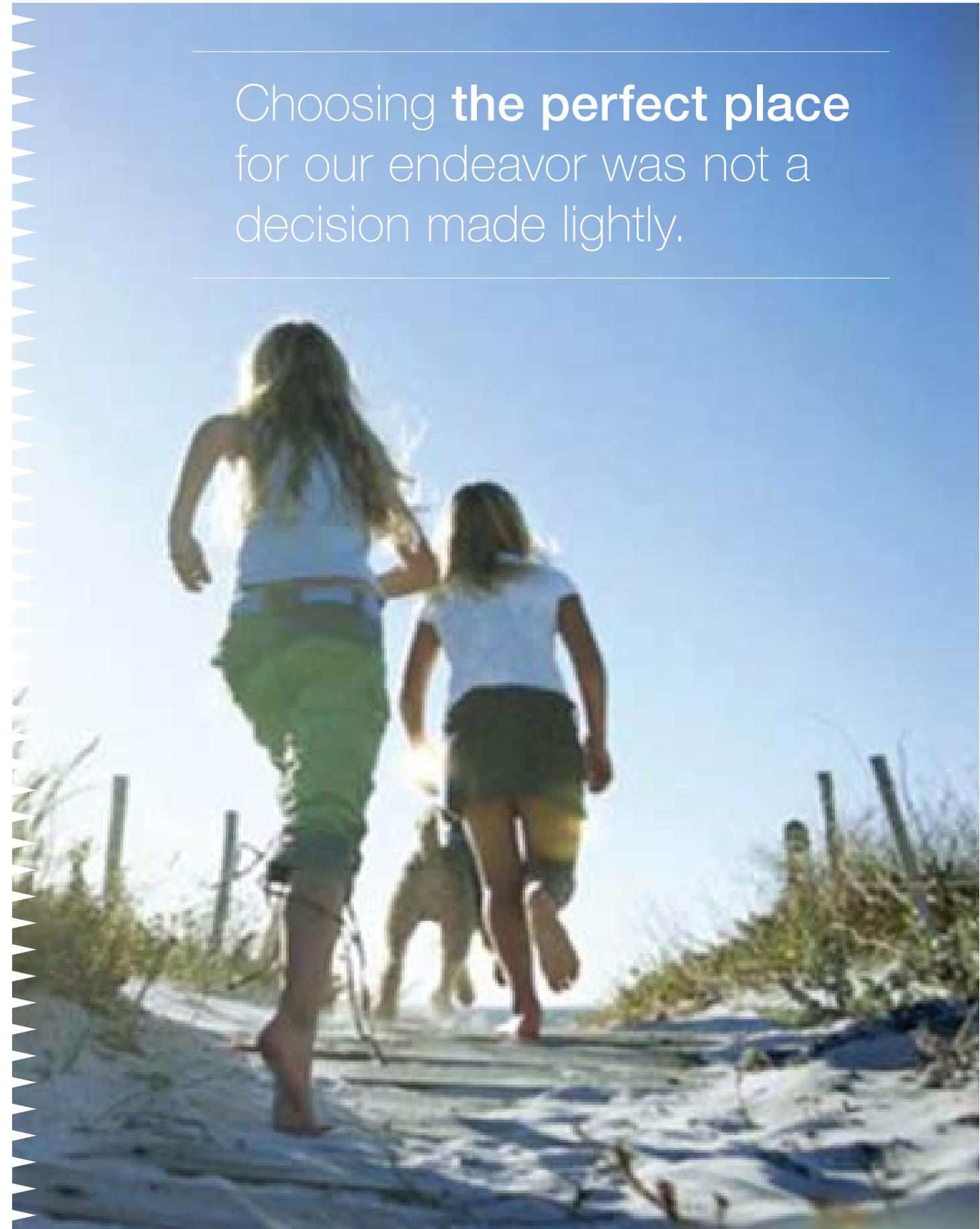
## SITE SELECTION CRITERIA:

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“A unique lifestyle destination for all children’s footwear needs offering an unbeatable selection of brands, styles, and prices all provided with one-stop convenience for mom in an environment that engages all senses.”

Choosing **the perfect place** for our endeavor was not a decision made lightly.





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