

Matt Rubel

Chairman, Chief Executive Officer & President

Presentation Contains Non-GAAP Financial Measures; Safe Harbor Statement

Today's remarks will contain non-GAAP financial measures. The financial measures are non-GAAP because they exclude items as defined in our most recent financial press release. Management believes that these non-GAAP measures will help you to better understand underlying performance trends in our business. For a reconciliation of these measures to their nearest GAAP measure, please see our financial press release and visit our website at collectivebrands.com and click on the “investor relations” and “presentations and webcasts” links.

Also, our remarks today contain forward-looking statements which are not historical facts and are subject to a number of risks and uncertainties. Actual results may differ materially. Please refer to our most recent financial press release for more information on risk factors and other factors that could impact forward looking statements.

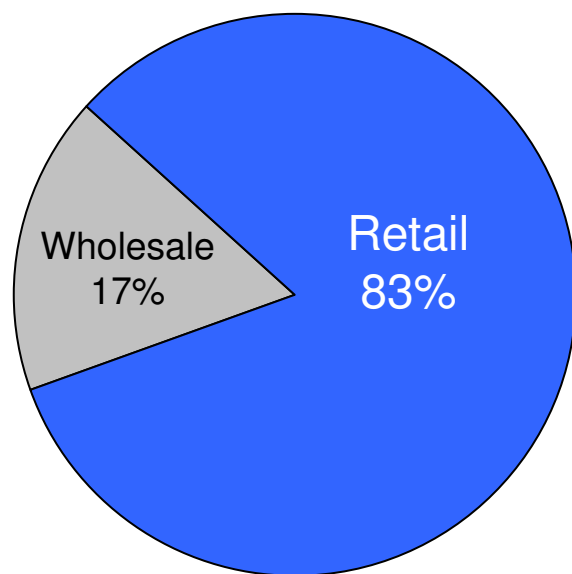
Collective Brands Business Model

- Hybrid model
 - As global footwear and lifestyle brand company, Collective Brands is diverse as a result of its breadth of brands, price points, and customer segments
 - Diversified business model should drive higher sales and profitability as well as ROIC growth
- Well-recognized portfolio of brands
 - Portfolio includes: Airwalk, American Eagle, Champion, Dexter, Keds, Saucony, Sims, Sperry Top-Sider, Stride Rite, Vision Street Wear, and proprietary designer programs
 - Supported by brand building capabilities and design expertise
- Market place positioning
 - Industry leading market share in children's footwear
 - Broad range of price points servicing mass market to higher-end consumers
- Vertically-integrated, highly efficient supply chain
 - New distribution centers that improve speed-to-market, better serve stores, and reduce transportation costs
 - Large scale provides relative cost advantages
 - Merchandise distribution systems and processes optimize working capital utilization

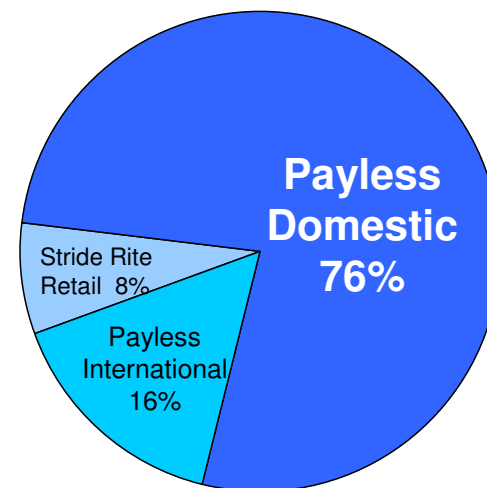
Collective Brands

Sales Composition - Based on FY 2008 Sales

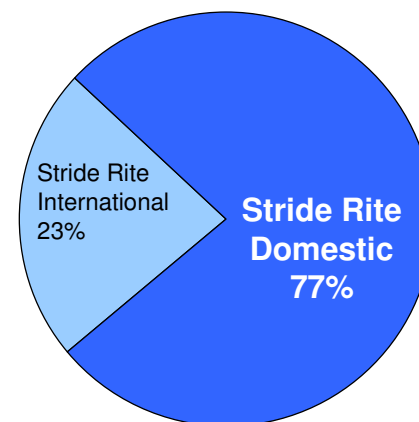
- \$297 million of adjusted EBITDA
- \$580 million of international sales



\$3.44 billion – Total



\$2.85 billion – Retail



\$0.59 billion – Wholesale

Note: Adjusted EBITDA excludes charges as defined in the 4Q08 financial press release. Reconciliation available at collectivebrands.com.

Collective Brands - Four Strategic Themes

Consumer Connections

Powerful Brands

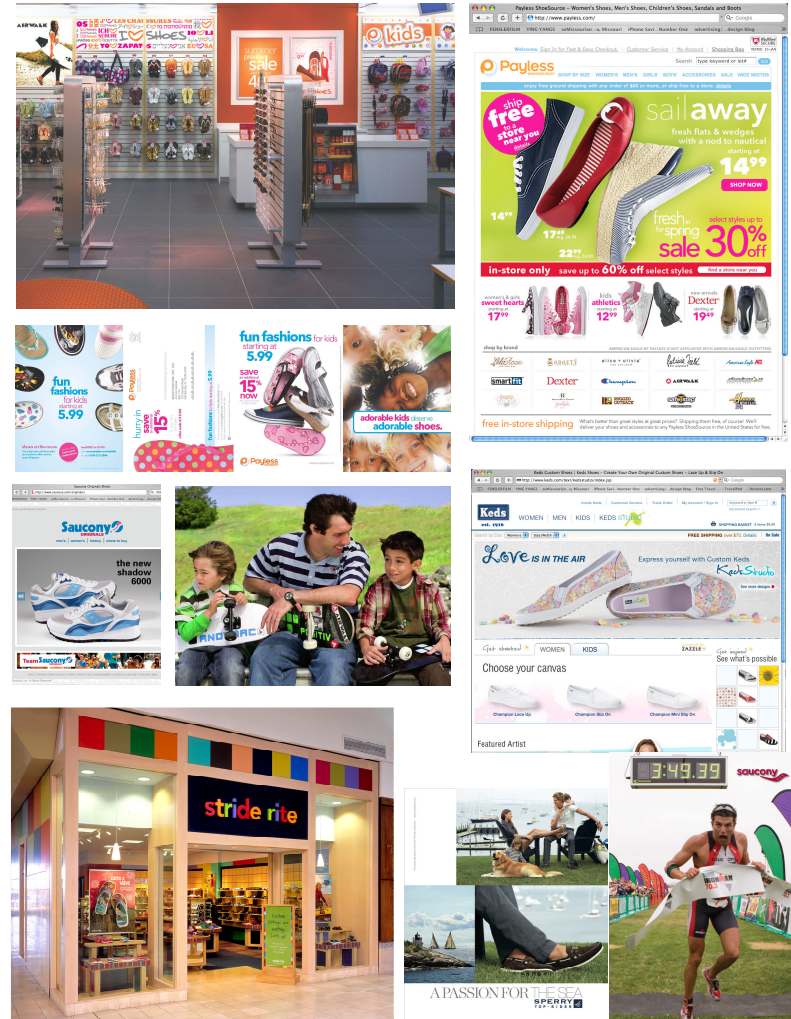
Operational Excellence

Dynamic Growth

Strategic Theme

Consumer Connections – Established through Retail, Wholesale and Licensing Channels

- Meet our target consumers' varied desires for style, performance, quality and value with innovation and creative design (e.g. Saucony, Payless casuals)
- Leverage best-in-class consumer insight to anticipate trends and increase our relevance to consumers' lifestyles (e.g. CRM)
- Create outstanding experiences through each touch point with our customers through hybrid business model of retail, wholesale, licensing, and e-commerce (e.g. New channels)



COLLECTIVE
BRANDS INC.

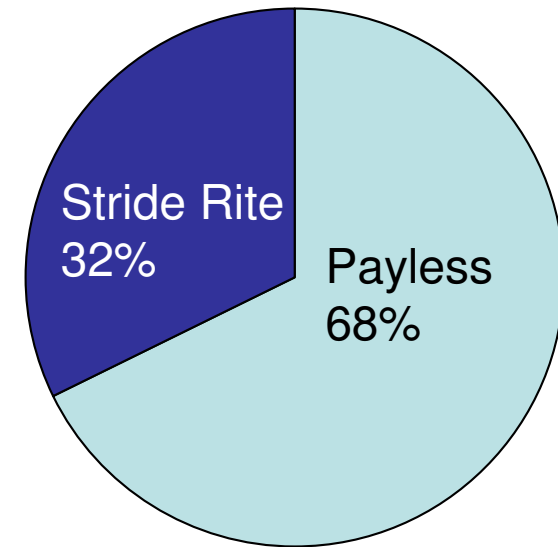
Strategic Theme

Consumer Connections – Kids

- Each price tier captured
 - Best...Stride Rite Children's Group, wholesale and specialty stores
 - Better...Stride Rite outlets
 - Good ...Payless
- 18% share of U.S. children's market at retail in units



\$1 Billion Children's Sales
Worldwide in 2008



Source: NPD Group

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Strategic Theme

Powerful Brands

Build diverse portfolio of brands and grow them through complementary businesses with unique distribution



Democratizing fashion through over 4,500 retail stores



Brand management and global licensing of youth, lifestyle and high-quality fashion athletic brands



COLLECTIVE BRANDS INC.



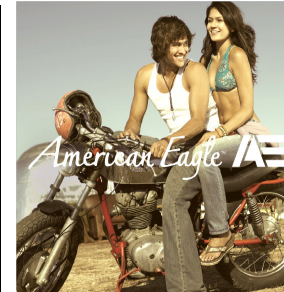
High-quality branded, casual and children's footwear through wholesale and retail channels



Strategic Theme

Powerful Brands

- Build diverse portfolio of leadership brands that forge emotional connections with target customers
- Infuse our brands with unique personalities that meet the lifestyle and aspirational needs of customers
- Effectively deliver messaging that communicates brand essence back to customers



Strategic Theme

Operational Excellence

- Consistently deliver effective and efficient solutions to leverage our partners and serve our customers
- Develop capabilities to execute core processes at best-in-class level: customer insight, product creation, branding, supply chain & logistics, talent development
- Drive continuous improvement to streamline and enable new business processes. Examples include:
 - Occupancy cost rationalization
 - Renegotiate non-merchandise contracts
 - Energy management system
 - Size assortment planning



Strategic Theme

Operational Excellence – Real Estate Strategy

- Rationalize occupancy costs
 - Align landlord-paid occupancy with shopping center traffic
 - Focus on reducing common area maintenance
 - Leverage diversity of real estate locations – on / off mall
 - Benefits accelerate in 2009 and 2010
- Right-size Payless chain store count and optimize footprint
 - Reduce domestic store count by approximately 200 over next four years
 - Realize transfer sales from closed stores
- Refresh stores and pace remodels to balance brand and economics
- Focus on families to seek new growth opportunities with above average returns

Strategic Theme

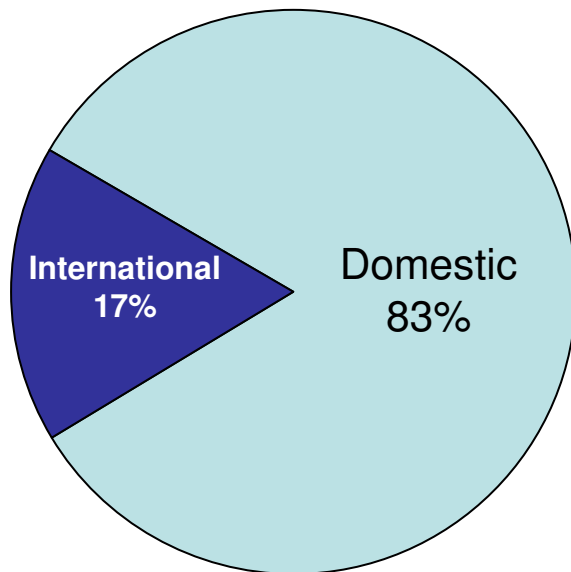
Operational Excellence – Inventory Management

- Flowing product consistent with customer shopping patterns, and with appropriate proportions by store volume and geographical zone, particularly in seasonal classifications
- Matching store assortments to customer demand and lifestyles through new targeted store clusters
- Driving inventory productivity through effective size management while ensuring assortment breadth and depth
- Using price optimization tools and systems to maximize margin throughout product's lifecycle
- Aged levels at historic lows, sustained through improved life cycle management

Strategic Theme

Dynamic Growth - Fully extending reach of brand platforms across global markets

FY 2008 sales of \$3.4 billion



\$580 million of international sales

- 81 countries and territories in which Collective Brands wholesales through Stride Rite
- 16 countries and territories in which Collective Brands operates Payless stores:
USA, Canada, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guam, Guatemala, Honduras, Nicaragua, Panama, Puerto Rico, Saipan, Trinidad/Tobago, U.S. Virgin Islands.
- Payless franchising in 2009 in the United Arab Emirates, Saudi Arabia, Kuwait, Oman, Bahrain, Qatar, Egypt, Jordan and Lebanon.

Strategic Theme

Dynamic Growth - Expand brands into other relevant categories from traditional base in footwear

- Saucony – Expanding beyond running into athletic, trail running, and apparel
- Sperry Top-Sider – Adding women’s, performance, dress-casual, and casual
- Stride Rite Children’s Group – Expanding beyond infants to youth
- Payless – Adding accessory categories and enhanced displays to all stores by Easter; adding extended kids sizing



Collective Brands Priorities for 2009

- Maximize cash flow
- Lower operating cost structure
- Gain market share and position growth platforms
- Engage and reward associates

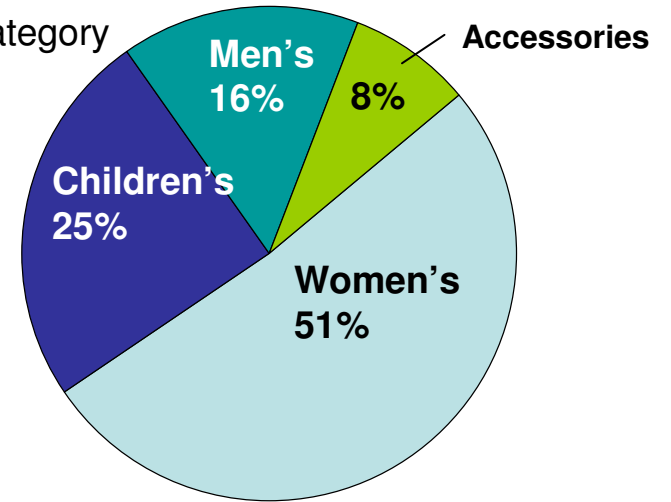
Payless Overview & Business Strategy

FY 2008

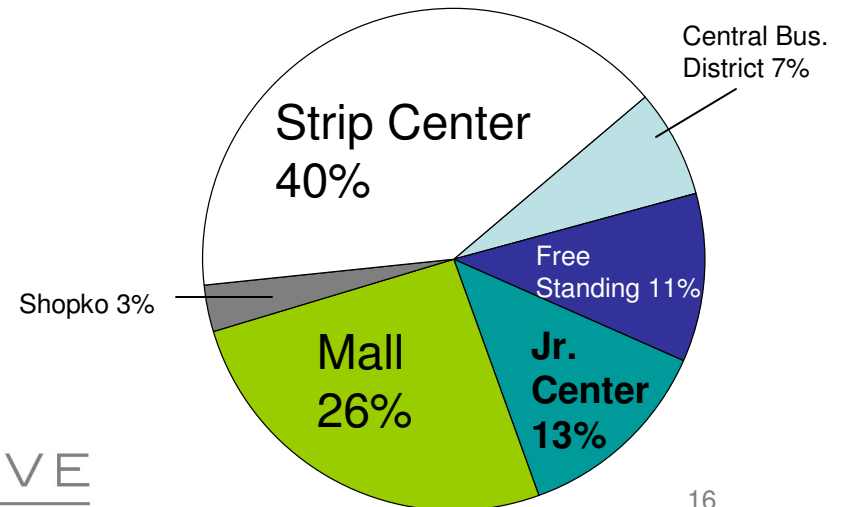
- Sales of \$2.6 billion
- 10% market share in units
- Maintained annual market share in highly promotional environment
- 4,522 stores in 16 countries and territories
- Record customer satisfaction scores

- Growing through domestic repositioning
- International expansion
 - Company-owned
 - Joint venture
 - Franchising

By Product Category



By Real Estate Format



Sources: NPD Group; FRA Survey

Payless Growth Drivers – 2009

The Family

Children are the key to opening the door to the household

- Increase marketing investment in mom relative to LY total: +10%
- Lifecycle management
 - Win at key children seasonal windows (Easter, back to school) and drive mom back into our stores to shop for herself
- Utilize our strategic service advantage: measuring kids' feet



Payless Growth Drivers – 2009

U.S. Hispanic

Increase U.S. Hispanic marketing

- Distance Payless from competition in consideration and loyalty
- Employ new targeting capabilities and new direct response tactics using our CRM data
- Hispanic portion of marketing spend in 2009 will increase relative to last year by about 500 bps to better serve this customer segment



Payless Growth Drivers – 2009

New designer collections

- Christian Siriano – Season #4 Project Runway winner. Collection unveiled on runway at New York Fashion Week in February. Launching fall 2009 in Payless featuring footwear and handbags for women.
- Jeff Staple – Voice of street culture. Collaborations with Nike, Burton, Versace, Sony Playstation, and Apple. Exclusive Airwalk collections in Payless launching fall 2009.



Payless Growth Drivers – 2009

New dyeable custom footwear

Unforgettable Moments by Lela Rose

- A line of designer exclusive, special occasion dyeable products
- Available in 64 custom colors
- Elevating our in-store and on-line shopping experience through a unique book and in-store display and a customized website



Payless Growth Drivers – 2009

Latin America store growth

- Net 40 new stores
 - At least 25 in Colombia
- Higher return on invested capital
- Higher average sales volume



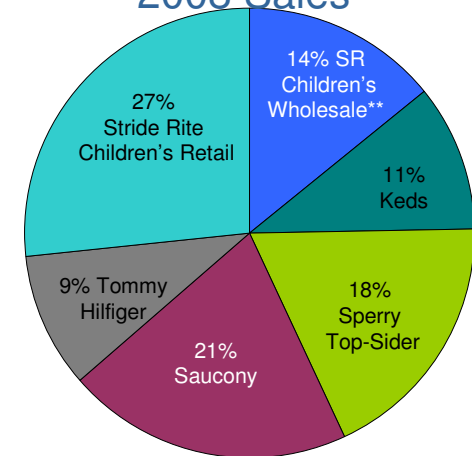
Stride Rite Group Overview

Mission: To be the leader in building a diversified portfolio of fashionable, premium lifestyle, and performance footwear brands for men, women and children across the globe

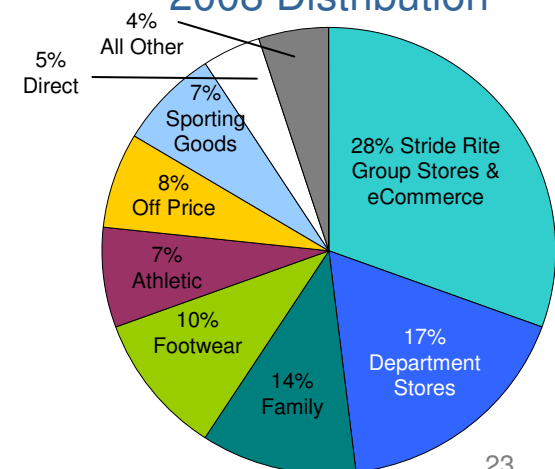
Overview

- FY 2008 sales of \$807 million, 86% domestic
- Highly diversified distribution with no customer exceeding 3% of sales
- Building upon existing positions of leadership
 - Stride Rite: premier children’s footwear player in the U.S.
 - Sperry: the authentic, original boat shoe growing into a nautical lifestyle brand
 - Saucony: the technical specialist in running
 - Keds: a global fashion, casual brand
- Platforming existing positions into streams of high growth
 - Categories
 - Geographies
- Leveraging capabilities at both Stride Rite Group and CBI across all brands and businesses

2008 Sales



2008 Distribution



Stride Rite Group

Key Growth Drivers

- Stride Rite Children's Group
 - Expand share in key age groups
 - Grow core wholesale business with continued innovation
 - Improve operations to enhance profitability and customer service, by leveraging Payless
- Sperry Top-Sider
 - Expanding beyond boat shoes to become stronger four season, year-round resource
 - Build on initial success of women's Sperry Top-Sider in image/better department stores, expanding classifications offered
 - Expand beyond footwear with accessories



Stride Rite Group

Key Growth Drivers

- Saucony
 - Build position with continued technical innovation in products
 - Extending running leadership into adjacent categories such as trail running
 - Expand business with leading full service sporting goods channel through visually compelling products and technologies and increased marketing support
 - Re-establishing Originals to capture share of growing run style market
 - Build apparel business with blend of performance and style
- Keds
 - Extend range of Champion product to offer basics to luxury
 - Build affinity with 24 year old customer through on-line marketing and programs (e.g. Keds Studio, “communities”)
 - Build upon Pro-Keds heritage platforms with upgraded quality, design, graphics and material application

*Award winning
ProGrid Echelon*



Trail running



Originals



Keds



Keds Studio

Give the Gift
Trees



Highlights of Recent 2008 Financial Results

- Growth in:
 - Payless International
 - Sperry Top-Sider, Saucony, Stride Rite International
- Annual cash flow
 - Adjusted EBITDA of \$297 million, up 17% vs. 2007
 - Capital expenditures down \$38 million
- New DC network up and operational
- Payless customer satisfaction scores at record high
- Quarterly SG&A down: \$10 million GAAP; \$16 million adjusted
- Exceeded annual target for synergy savings

Collective Brands Financials

Annual adjusted EBITDA of \$297 mil, up 17%

(in millions except per share)	2007	2007 adj	2008	2008 adj
Sales	\$3,035	\$3,035	\$3,442	\$3,442
SG&A	\$899	\$899	\$1,007	\$1,000
Op. profit / <loss>	\$91	\$140	<\$40>	\$159
Net income / <loss>	\$43	\$72	<\$69>	\$71
Earnings / <loss> per share	\$0.65	\$1.10	<\$1.09>	\$1.12
Adj. EBITDA		\$254		\$297

Investment Merits of Collective Brands

- Hybrid business model with diverse channels to serve customers
- Strong cash flow
- Well-recognized portfolio of brands
- International growth opportunities
- Vertically-integrated, highly efficient supply chain
- Size and scale to optimize profitability and capitalize on growth opportunities

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