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): September 24, 2012

Wolverine World Wide, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	001-06024	38-1185150
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

9341 Courtland Drive Rockford, Michigan	49351
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (616) 866-5500

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 September 24, 2012, Wolverine World Wide, Inc. (the "Company") announced that it intends to offer $375 million aggregate principal amount of senior notes due 2020 to certain institutional investors in an unregistered offering (the "144A Offering"). In connection with the 144A Offering, the Company disclosed certain information to prospective investors in a preliminary offering memorandum dated September 24, 2012 (the "Preliminary Offering Memorandum"). Pursuant to Regulation FD, the Company is furnishing as Exhibits 99.1, 99.2, 99.3, 99.4, 99.5 and 99.6 the following information: (i) certain subsections of the section of the Preliminary Offering Memorandum captioned "Summary"; (ii) the section of the Preliminary Offering Memorandum captioned "Risk factors—Risks related to our business"; (iii) the section of the Preliminary Offering Memorandum captioned "Capitalization"; (iv) the section of the Preliminary Offering Memorandum captioned "Unaudited pro forma consolidated condensed financial information," which includes the unaudited pro forma financial statements reflecting the Company's acquisition of the Performance + Lifestyle Group business (the "PLG Business") of Collective Brands, Inc. ("CBI"); (v) certain subsections of the section of the Preliminary Offering Memorandum captioned "Management's discussion and analysis of financial condition and results of operations" regarding the PLG Business, including the subsections captioned "—The Transactions," "—Results of operations of the PLG Business" and "—Pro forma liquidity and capital resources"; (vi) the audited financial statements of the PLG Business for the fiscal years ended January 28, 2012, January 29, 2011 and January 30, 2010 and the unaudited financial statements of the PLG Business for the 26 weeks ended July 28, 2012 and July 30, 2011.

The information in this Item 7.01, including Exhibits 99.1, 99.2, 99.3, 99.4, 99.5 and 99.6, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

As described in Item 7.01, on September 24, 2012, the Company announced the commencement of the 144A Offering. The Company intends to use the net proceeds from the 144A Offering to finance, in part, its acquisition of the PLG Business, repay any amounts outstanding under, and terminate, its existing revolving credit facility, repay certain of CBI's indebtedness, and pay related fees and expenses. A copy of the press release announcing the 144A Offering is attached as Exhibit 99.7 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

99.1 Subsections of "Summary" section of the Preliminary Offering Memorandum.

99.2 "Risk factors—Risks related to our business" section of the Preliminary Offering Memorandum.

99.3 "Capitalization" section of the Preliminary Offering Memorandum.

99.4 "Unaudited pro forma consolidated condensed financial information" section of the Preliminary Offering Memorandum.

99.5 Subsections of "Management's discussion and analysis of financial condition and results of operations" section of the Preliminary Offering Memorandum.

99.6 Audited financial statements of the PLG Business for the fiscal years ended January 28, 2012, January 29, 2011 and January 30, 2010 and unaudited financial statements of the PLG Business for the 26 weeks ended July 28, 2012 and July 30, 2011.

99.7 Press release, dated September 24, 2012, announcing the 144A Offering.

Forward-Looking Statements

This report contains forward-looking statements. In addition, words such as "estimates," "anticipates," "believes," "forecasts," "plans," "predicts," "projects," "is likely," "expects," "intends," "should," "will," variations of such words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Risk Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. Risk Factors include, among others: the possibility that the acquisition of the PLG Business does not close; the Company's ability to realize the benefits of the acquisition of the PLG Business on a timely basis or at all; the Company's ability to combine its businesses and the PLG Business successfully or in a timely and cost-efficient manner; failure to obtain any required financing on favorable terms; the degree of business disruption relating to the acquisition of the PLG Business; the Company's ability to successfully develop its brands and businesses; changes in interest rates, tax laws, duty structures, tariffs, quotas or applicable assessments in countries of import and export including anti-dumping measures and trade defense actions; changes in consumer preferences, spending patterns, buying patterns or price sensitivity;

changes in future pension funding requirements and pension expenses; the ability to secure and protect owned intellectual property or use licensed intellectual property; cancellation of orders for future delivery, or the failure of the Department of Defense to exercise future purchase options, award new contracts or the cancellation of existing contracts by the Department of Defense or other military purchasers; changes in planned customer demand, re-orders or at-once orders; changes in relationships with, including the loss of, significant customers; the availability and pricing of footwear manufacturing capacity; reliance on foreign sourcing; failure of international licensees and distributors to meet sales goals or to make timely payments on amounts owed; disruption of technology systems; regulatory or other changes affecting the supply or price of materials used in manufacturing; the impact of regulatory or legal proceedings and legal compliance risks; the availability of power, labor and resources in key foreign sourcing countries, including China; the cost, availability and management of raw materials, inventories, services and labor for owned and contract manufacturers; the impact of competition and pricing; the impact of restrictions on, or changes in the value of, foreign currencies; the development of new initiatives; the risks of doing business in developing countries, and politically or economically volatile areas; retail buying patterns; consolidation in the retail sector; changes in economic and market conditions, including the financial and credit markets, on the Company, its suppliers and customers; acts and effects of war and terrorism; seasonality and weather; problems affecting the Company's distribution system, including service interruptions at shipping and receiving ports; the failure to maintain the security of personally identifiable and other information of customers, stockholders and employees; and additional factors discussed in the Company's reports filed with the Securities and Exchange Commission and exhibits thereto. Other Risk Factors exist, and new Risk Factors emerge from time to time that may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Furthermore, the Company undertakes no obligation to update, amend or clarify forward-looking statements.

SIGNATURES

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.

Dated: September 24, 2012	WOLVERINE WORLD WIDE, INC. (Registrant)
	/s/ R. Paul Guerre
	R. Paul Guerre Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Document
99.1	Subsections of “Summary” section of the Preliminary Offering Memorandum.
99.2	“Risk factors—Risks related to our business” section of the Preliminary Offering Memorandum.
99.3	“Capitalization” section of the Preliminary Offering Memorandum.
99.4	“Unaudited pro forma consolidated condensed financial information” section of the Preliminary Offering Memorandum.
99.5	Subsections of “Management’s discussion and analysis of financial condition and results of operations” section of the Preliminary Offering Memorandum.
99.6	Audited financial statements of the PLG Business for the fiscal years ended January 28, 2012, January 29, 2011 and January 30, 2010 and unaudited financial statements of the PLG Business for the 26 weeks ended July 28, 2012 and July 30, 2011.
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Exhibit 99.1

Summary

This summary highlights selected information contained elsewhere in this offering memorandum or incorporated herein by reference, but may not contain all information that may be important to you. We encourage you to read this entire offering memorandum and the documents to which we refer you carefully, including “Risk factors” and the consolidated financial statements and other information contained elsewhere in this offering memorandum or incorporated by reference herein before making an investment decision.

Unless the context otherwise requires or as otherwise indicated, references in this offering memorandum to “we,” “our,” “us,” “Wolverine” and the “Company” refer to Wolverine World Wide, Inc. and its consolidated subsidiaries; references to the “PLG Business” or “PLG” refer to the Performance + Lifestyle Group business of Collective Brands, Inc. References to “initial purchasers” refer to the firms listed on the cover page of this offering memorandum. Financial and other information identified in this offering memorandum as “pro forma” gives effect to the consummation of the Transactions (as defined below). See “Unaudited pro forma consolidated condensed financial information.”

Our company

We are a leading designer, manufacturer and marketer of a broad range of quality casual footwear and apparel, performance outdoor footwear and apparel, industrial work shoes, boots and apparel, and uniform shoes and boots. During the trailing four quarters ended June 16, 2012, we generated revenue and Adjusted EBITDA of $1,403.6 million and $203.7 million, respectively. During the trailing four quarters ended June 16, 2012, on a pro forma basis after giving effect to the Transactions, we generated revenue and Adjusted EBITDA of $2,465.6 million and $295.5 million, respectively. See “—Summary historical and pro forma consolidated financial information of Wolverine.”

Our current portfolio consists of 12 well-known brands that are marketed in more than 190 countries and territories around the world. During fiscal year 2011, we sold approximately 52 million pairs/units of branded footwear and apparel. Our products generally feature contemporary styling with proprietary technologies designed to provide maximum comfort and performance and are sold at various price points which target a wide range of consumers of casual, work and outdoor footwear and apparel.

We have one reportable segment that is engaged in designing, manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. We identify three operating groups within this one reportable segment:

- the **Outdoor Group**, consisting of *Merrell*®, *Chaco*® and *Patagonia*® footwear, and *Merrell*® apparel and accessories;
- the **Heritage Group**, consisting of *Wolverine*® boots and shoes and *Wolverine*® apparel, *Cat*® footwear, *Bates*® footwear, *Harley-Davidson*® footwear and *HyTest*® footwear; and
- the **Lifestyle Group**, consisting of *Hush Puppies*® footwear and apparel, *Sebago*® footwear and apparel, *Cushe*® footwear and *Soft Style*® footwear.

During fiscal year 2011, 59.8%, 23.9%, 8.1% and 8.2% of our revenue was derived from sales in the United States, Europe, Canada and other foreign territories, respectively.

Branded footwear, apparel and licensing

We source and market a broad range of footwear styles, including shoes, boots and sandals, under our many recognizable brand names. We combine quality materials and skilled workmanship to produce footwear according to our specifications at both Company-owned (*5% of finished goods for fiscal year 2011*) and third-party manufacturing facilities (*95% of finished goods for fiscal year 2011*). We also market *Merrell*®, *Sebago*® and *Wolverine*® brand apparel and accessories, and license some of our brands for use on non-footwear products, including *Hush Puppies*® apparel, eyewear, watches, socks, handbags and plush toys and *Wolverine*® brand eyewear and gloves.

Other businesses

In addition to our branded footwear, apparel and licensing operations, we also operate (i) retail stores in North America and the United Kingdom that feature footwear and apparel and consumer-direct retail websites; and (ii) a performance leathers business through our Wolverine Leathers Division.

1. **Wolverine Retail**—Our consumer-direct business operated 88 North American and 12 United Kingdom-based retail stores at June 16, 2012. These stores are operated under the *Hush Puppies*®, *Hush Puppies and Family*℠, *Track 'N Trail*®, *Sebago®, Wolverine Company Store*℠*, Rockford Footwear Depot*® and *Merrell*® names. The *Rockford Footwear Depot*®, *Track 'N Trail*®, *Hush Puppies*® and *Hush Puppies and Family*℠ retail formats carry a large selection of Company-branded and licensed products, including *Wolverine*®, *Merrell*®, *Hush Puppies*®, *Cat*® Footwear, *Chaco*®, *Cushe*®, *Patagonia*® Footwear, *Sebago*® and *Harley-Davidson*® Footwear. We also operate *Merrell*® concept stores, *Hush Puppies*® concept stores and *Sebago*® concept stores, providing a platform to showcase these brands exclusively. In addition, we operated 38 consumer-direct retail websites at June 16, 2012, including *www.merrell.com, www.wolverine.com, www.cushe.com, www.hushpuppies.com*, *www.chacos.com, www.catfootwear.com*, *www.sebago.com* and *www.batesfootwear.com*.
2. **The Wolverine Leathers Division**—The Wolverine Leathers Division markets pigskin leather for use primarily in the footwear industry. We believe pigskin leather offers superior performance and other advantages over cowhide leather. Our waterproof and stain resistant leathers are featured in some of our footwear lines and many products offered by our international licensees and distributors.

The Transactions

On May 1, 2012, we entered into several agreements relating to our pending acquisition of the Performance + Lifestyle Group business of Collective Brands, Inc. ("CBI"), including an Agreement and Plan of Merger (the "Merger Agreement") and a Purchase Agreement (the "Acquisition Agreement"). Under the Merger Agreement, a wholly-owned subsidiary of Parent (as defined below) will merge with and into CBI (the "Merger"), with CBI surviving the Merger as a wholly-owned subsidiary of WBG–PSS Holdings LLC ("Parent"), a Delaware limited liability company owned by us, Blum Strategic Partners IV, L.P. ("Blum") and Golden Gate Capital Opportunity Fund, L.P. ("Golden Gate"). Each share of CBI common stock will be converted into the right to receive $21.75 per share in cash at the effective time of the Merger.

Under the Acquisition Agreement, at or following the closing of the Merger, Parent will transfer the assets comprising the PLG Business to our wholly-owned subsidiary (the "Acquisition"), in exchange for a cash payment of approximately $1.26 billion and the cancellation of our equity interests in Parent. As a result of the Acquisition, which is expected to close substantially concurrently with the closing of this offering, we will own the wholesale and retail operations of the *Sperry Top-Sider*®, *Saucony*®, *Stride Rite*® and *Keds*® brands. Investment firms affiliated with Blum and Golden Gate will jointly acquire CBI's remaining businesses, the operations of Payless ShoeSource and Collective Licensing International, which together will operate as a standalone entity.

In connection with the Merger and Acquisition, we entered into a credit agreement on July 31, 2012 that provides us with a $1.1 billion senior secured credit facility (the "New Credit Facility") consisting of (i) a term loan A facility of up to $550.0 million (the "Term Loan A Facility") and a term loan B facility of up to $350.0 million (the "Term Loan B Facility"; and, together with the Term Loan A Facility, the "Term Loan Facilities"), and (ii) a revolving credit facility of up to $200.0 million (the "New Revolving Credit Facility").

In this offering memorandum, we collectively refer to the Merger, the Acquisition, the closing of the New Credit Facility, the sale of the notes offered hereby and the related transactions, such as the repayment of our existing indebtedness and certain of CBI's existing indebtedness, as the "Transactions." See "The Transactions" for more details regarding the Acquisition and the related transactions.

Performance + Lifestyle Group

PLG is a leading provider of iconic performance and lifestyle brands, each with unique characteristics and strong market positions focused on distinct and targeted consumer segments. PLG is predominantly a wholesaler of footwear, selling its products mostly in North America through a wide variety of retail formats, including premier department stores, specialty stores and athletic and sporting goods stores. PLG markets its products in countries outside North America through owned operations, independent distributors and licensees. PLG designs and markets categories of footwear and related accessories under various brands and trademarks, including *Sperry Top-Sider*®, *Saucony*®, *Stride Rite*® and *Keds*®. PLG also markets its products directly to consumers through a variety of owned formats: *Stride Rite*® children's stores, *Stride Rite*® outlet stores, *Stride Rite*® store-in-stores, *Sperry Top-Sider*® stores, *Saucony*® stores and e-commerce sites. As of July 28, 2012, PLG operated 337 owned stores. For the trailing four quarters ended July 28, 2012, PLG generated $1,062.0 million in revenue. See "—Summary historical financial information of the PLG Business."

PLG Wholesale

PLG Wholesale, which is comprised of PLG's global wholesale operations, generated sales of $778.7 million (76.4% of PLG's total sales) in fiscal year 2011. PLG Wholesale currently sells footwear in over 90 countries and territories and outsources all manufacturing of its finished goods. PLG Wholesale uses company-owned sales offices, independent distributors and licensees to market its various product lines outside of the United States. PLG Wholesale also sells its branded products through licensing and development arrangements with third-party distributors. These distributors sell PLG products through wholesale and retail channels, as well as online through brand websites. PLG currently has 10 distributors operating in 16 countries and territories. PLG Wholesale generated international sales of $156.1 million (15.3% of PLG's total sales) in fiscal year 2011. Europe constituted the largest portion of PLG Wholesale's international sales, followed by Canada.

PLG Retail

PLG Retail, which is comprised of PLG's owned *Stride Rite*® children's stores, PLG's outlet stores, store-in-stores at select Macy's Department Stores, *Sperry Top-Sider*® retail stores and *Saucony*® retail stores, generated sales of $240.6 million (23.6% of PLG's total sales) in fiscal year 2011. *Stride Rite*® children's stores are located primarily in larger regional shopping centers, clustered generally in the major metropolitan areas of the United States. The average size of a *Stride Rite*® children's store is approximately 1,300 square feet, while outlet stores average approximately 2,800 square feet, and carry a broad range of footwear for adults in addition to children's footwear. *Sperry Top-Sider*® stores average approximately 1,600 square feet and tend to be located in affluent areas that embrace the brand's nautical lifestyle. PLG also operates *Stride Rite*® shoe departments within select Macy's stores, which provides PLG with an additive, capital efficient distribution channel for its products. PLG also licenses 20 free-standing stores outside North America, each of which is branded "Stride Rite" and sells all of PLG's brands in children's sizes.

Acquisition rationale

Creation of a collection of lifestyle brands

We currently maintain a diverse portfolio of 12 well-known brands that have global distribution. The acquired PLG brands not only address a number of our “white-space” opportunities (Women’s, Athletic, Casual, Kids and Retail), but also fit our established criteria for shareholder value creation: authentic, “heritage” brands that have differentiated market positions and credibility with consumers, resulting in potential for significant global growth. We believe that retailers will look to partner with Wolverine to drive consumer connections and strategic growth, and our international partners will be able to tap local market opportunities.

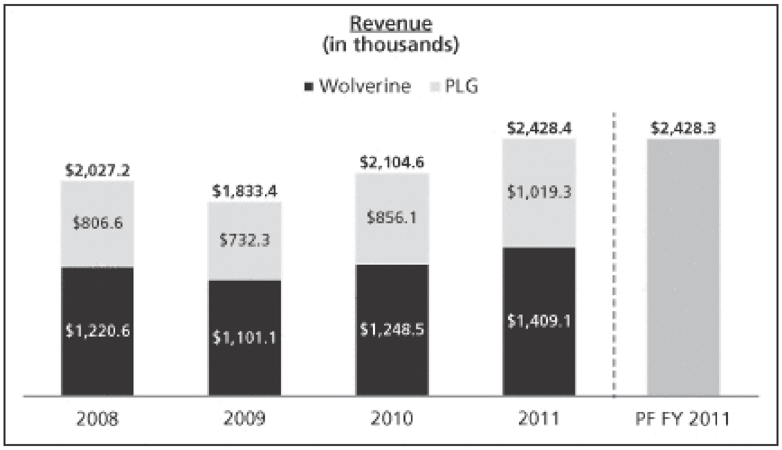
Significant opportunity for global expansion, specifically with PLG brands

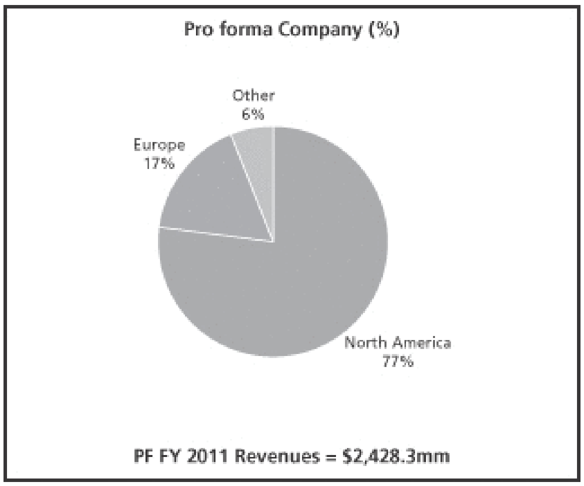
Our strong global business model provides a platform for growth and innovation, and the diversity of our portfolio helps mitigate fluctuations across geographic regions, styles, brands and consumer preferences. We have a rich history of international growth and success dating back to the introduction of Hush Puppies into international markets in 1959. For fiscal year 2011, international revenues accounted for over 40% of our revenue and over 60% of total unit volume.

By comparison, the PLG Business is based largely in the United States and international revenue and unit volume accounted for 15.3% and less than 11% of consolidated revenue and unit volume, respectively, during fiscal year 2011. We believe that our long established distributor relationships and significant international infrastructure will help accelerate the growth of the PLG brands in international markets.

Considerable and immediate increase in scale—both in terms of reported revenue and size of portfolio

The acquisition of PLG provides Wolverine with an immediate increase in scale, as 42% of the combined entity's pro forma revenue in fiscal year 2011 would have been contributed by the PLG brands. We expect to also benefit from the addition of four brands to our existing 12-brand portfolio, which will result in added reach, diversity and consumer segment penetration.





Value creation opportunity for Wolverine within each PLG brand

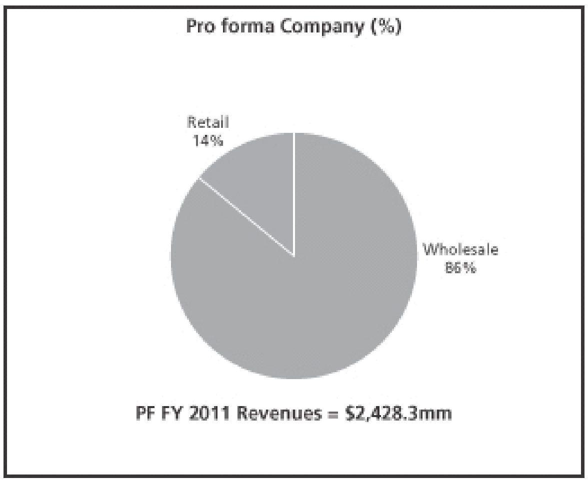
- ***Sperry Top-Sider®*** represents a significant opportunity for us to leverage our existing international infrastructure to grow the brand, as only approximately 6.5% of the brand's revenues were derived internationally in fiscal year 2011. *Sperry Top-Sider®* is a top U.S. casual brand, #1 in men and #2 in women, and the leading boat shoe brand (62% share in men, 80% share in women) for the 52 weeks ended July 2012, according to the NPD Group.
- ***Saucony®*** is a top US running brand (#7 market share overall for the 52 weeks ended July 2012, according to the SportsOneSource Group) that allows us to make inroads into the influential run

specialty channel. *Saucony®* occupies the #3 market share position (according to Leisure Trends Group) in run specialty and the #2 market share position in the expanding minimalism/natural movement category for the three-month period ending July 2012 (according to Leisure Trends Group). *Saucony®* has a more well-established international presence than the other PLG brands, as approximately 32.3% of its sales were outside the United States in fiscal year 2011.

- ***Stride Rite®*** is a leading children's footwear brand, providing a presence that currently does not exist within our brand portfolio. *Stride Rite®* occupies a top three market share position for children under nine years old, and the brand has the #1 market share position for infant/toddler footwear for the 52 weeks ended July 2012, according to the NPD Group. *Stride Rite®* has meaningful untapped potential for international growth (only approximately 6.8% of *Stride Rite®* Children's Group sales were generated internationally in fiscal year 2011).
- ***Keds®*** maintains strong brand recognition and a deep heritage that is not reflected in the current size of the business. *Keds®* occupies the #7 market share position in the women's sports leisure category for the 52 weeks ended July 2012, according to the NPD Group. Approximately 23.7% of the brand's revenues were derived internationally in fiscal year 2011.

Opportunity to expand multi-brand retail concept

We believe that our expanded portfolio of brands offers a compelling and differentiated multi-brand retail opportunity. With a portfolio of 16 brands after the completion of the Acquisition, we will be able to provide customers with an exciting assortment of products that are fresh and diverse. Given the breadth of the products offered by each brand, we will be able to offer a multi-brand retail concept that can be tailored to meet the regional needs and preferences of our consumers around the world.



Wolverine's proven ability to integrate acquisitions successfully

We have a proven track record of building brands for the long term that deliver growth in revenue, operating profit and cash flow. Over the last 15 years, we have added eight brands and acquired our distributors' operations in Canada, the United Kingdom and certain key countries in continental Europe. Successful brand additions and geographic expansions have helped us achieve accelerated growth over that period of time. We are confident that we can continue our rich tradition of successfully building brands added to our portfolio with the acquisition of PLG.

Our primary competitive advantages

Diverse product offering. Our brand portfolio is comprised of dynamic lifestyle brands that are well-recognized on a global scale. Our portfolio offers a broad spectrum of products including comfort casual, rugged outdoor and work footwear as well as casual, outdoor and work apparel. Our diversity enables us to offer footwear and apparel for a broad array of consumers, which we believe provides a competitive advantage by insulating us against any single fashion, economic or geographic risk.

Well-recognized brand names, proprietary designs and comfort technologies. We hold a significant portfolio of registered and common law trademarks that identify our branded products and technologies. These include *Hush Puppies*®, Dog Likeness (registered design trademark), *Wolverine*®, *Bates*®, *Cushe*®, *Chaco*®, *Soft Style*®, *Wolverine Fusion*®, *DuraShocks*®, *MultiShox*®, *Wolverine Compressor*®, *Wolverine ICS*®, *Hidden Tracks*®, *iTechnology*™, *Bounce*®, *Comfort Curve*®, *HyTest*®, *Merrell*®, M Circle Design (registered design trademark), *Continuum*®, *Sebago*® and *Q Form*®. Our Wolverine Leathers Division markets its pigskin leathers under the trademarks *Wolverine Warrior Leather*®, *Weather Tight*® and *All Season Weather Leathers*™. We have footwear marketing and distribution rights under the *Cat*®, *Harley-Davidson*® and *Patagonia*® trademarks pursuant to license arrangements with the respective trademark owners. We believe that consumers identify our products by our trademarks and that our trademarks are valuable assets.

Wide range of distribution channels. We sell our products directly to a wide range of retailers in the United States, Canada and certain countries in Europe, including department stores, national chains, catalog retailers, specialty retailers, mass merchants, Internet retailers and governments and municipalities. Many of the retailers purchasing our products operate multiple storefront locations. Our products are marketed worldwide in more than 190 countries and territories through Company-owned wholesale and retail operations and a network of approximately 100 third-party licensees and distributors. A broad distribution base protects us from dependence on any one customer, and no single customer of ours accounted for more than 10% of our revenues in fiscal year 2011.

Diversified manufacturing and sourcing base. We maintain a diverse manufacturing and sourcing base. Our owned manufacturing operations *(5% of finished goods for fiscal year 2011)* allow us to reduce our product lead-time, respond quickly to market demand, reduce inventory risk and lower freight, shipping and duty costs for sales to certain markets. Our third-party sourcing strategy *(95% of finished goods for fiscal year 2011)* allows us to benefit from lower manufacturing costs and state-of-the-art manufacturing facilities, source high quality raw materials from around the world and avoid capital expenditures necessary for additional owned factories. We believe our overall manufacturing strategy provides the flexibility to properly balance the need for timely shipments, high quality products and competitive pricing.

Our brands

Merrell® footwear, apparel & accessories. *Merrell®* footwear is designed to inspire and encourage participation in the outdoors. Known for quality, durability and comfort, the *Merrell®* footwear line uses a variety of proprietary designs and technologies to create footwear with distinctive styling, performance and comfort features for the trail or the town. *Merrell®* footwear products offer a wide range of styles, from technical hiking, multi-sport footwear and the minimalist *Merrell®* Barefoot Collection to versatile, lifestyle products for more casual outdoor adventures for men, women and kids. *Merrell®* footwear products are sold primarily through outdoor specialty retailers, sporting goods chains, department stores, online retailers and catalogs. *Merrell®* footwear is currently marketed in approximately 140 countries and territories worldwide.

The *Merrell®* apparel line extends the *Merrell®* commitment to an active outdoor lifestyle with a versatile line of apparel built for the summit or the street. The apparel line features stylized lifestyle silhouettes built with the technical, high performance, weather fighting materials that consumers expect from an outdoor brand. In addition to *Merrell®* apparel, the Outdoor Group markets *Merrell®* accessories, including packs, bags and luggage for men and women.

Patagonia® footwear. Pursuant to an agreement with Lost Arrow Corporation, we have the exclusive footwear marketing and distribution rights for *Patagonia®* and other trademarks. The *Patagonia®* footwear line focuses primarily on casual and outdoor performance footwear. *Patagonia®* is a registered trademark of Patagonia, Inc.

Chaco® footwear. The *Chaco®* footwear line focuses primarily on performance sandals and closed-toe products for the outdoor enthusiast.

Wolverine® footwear, apparel & licensing. The *Wolverine®* brand offers high quality boots and shoes that incorporate innovative technologies to deliver comfort and durability. The *Wolverine®* brand, which has been in existence for 129 years, markets footwear in three categories: (i) work and industrial; (ii) outdoor sport; and (iii) rugged casual. The development of *DuraShocks®*, *MultiShox®*, W*olverine Fusion®* and *Wolverine Compressor®* technologies, as well as the development of the *Contour Welt®* line, have allowed the *Wolverine®* brand to offer a broad line of work footwear with a focus on comfort. The *Wolverine®* work product line, whose target consumers are industrial workers, features work boots and shoes with protective features such as toe caps, metatarsal guards and electrical hazard protection. The *Wolverine®* rugged casual and outdoor sport product lines incorporate *DuraShocks®*, *Wolverine ICS®* and other technologies and comfort features into products designed for casual and outdoor sport use. The target consumers for the rugged casual products have active lifestyles. The outdoor sport line is designed to meet the needs of hunters, fishermen and other active outdoor sports enthusiasts.

We market a line of work and rugged casual *Wolverine®* brand apparel. In addition, we license our *Wolverine®* brand for use on eyewear and gloves.

Cat® footwear. Pursuant to a license arrangement with Caterpillar, Inc., we have exclusive footwear marketing and distribution rights under *Caterpillar®*, *Cat®*, Cat & Design, *Walking Machines®* and other trademarks. We believe the association with *Cat®* equipment encourages customers to view the footwear as high-quality, rugged and durable. *Cat®* brand footwear products include work boots and shoes, sport boots, rugged casual and lifestyle footwear, including lines of work and casual footwear featuring *iTechnology*™ and *Hidden Tracks*® comfort features. *Cat*® footwear targets work, industrial and active lifestyle users. *Cat*® footwear is marketed in approximately 130 countries and territories worldwide. *Cat*®, *Caterpillar*®, Cat & Design and *Walking Machines*® are registered trademarks of Caterpillar, Inc.

Bates*® *uniform footwear. The *Bates*® brand is a leader in footwear for military and civilian uniform users. *Bates*® utilizes *DuraShocks*®, *DuraShocks SR*™, CoolTech, *Wolverine ICS*® and other proprietary comfort technologies in the design of its military-style boots and oxford shoes. *Bates*® contracts with the United States Department of Defense and the military branches of several foreign countries to supply military footwear. Civilian uniform users include individuals in police, security, postal, restaurant and other industrial occupations. *Bates*® products are also distributed through specialty retailers and catalogs.

Harley-Davidson*® *footwear. Pursuant to a license arrangement with the Harley-Davidson Motor Company, we have footwear marketing and distribution rights for *Harley-Davidson*® branded footwear. *Harley-Davidson*® branded footwear products include motorcycle, casual, fashion, work and western footwear for men, women and children. *Harley-Davidson*® footwear is sold globally through a network of independent *Harley-Davidson*® dealerships and other retail outlets. *Harley-Davidson*® is a registered trademark of H-D Michigan, Inc.

HyTest*® *safety footwear. The *HyTest*® product line consists primarily of high-quality work boots and shoes that incorporate various specialty safety features designed to protect against hazards of the workplace, including steel toe, composite toe, metatarsal guards, and electrical hazard, static dissipating and conductive footwear. *HyTest*® footwear is distributed primarily through a network of independently-owned *Shoemobile*® mobile truck retail outlets providing direct sales of our occupational and work footwear brands to workers at industrial facilities and also through direct sales arrangements with large industrial customers.

Hush Puppies®. Since 1958, the *Hush Puppies*® brand has been a leader in casual footwear. The brand offers shoes, sandals and boots for men, women and children, and is currently marketed in approximately 140 countries and territories. The brand's modern styling is complemented by a variety of comfort features and proprietary technologies that have earned the brand its reputation for comfort, style and value. In addition, the *Hush Puppies*® brand is licensed for use on certain items, including apparel, eyewear, handbags, socks, watches and plush toys.

Sebago®. The *Sebago*® product line has been marketed since 1946 and consists primarily of performance nautical and American-inspired casual footwear for men and women, such as boat shoes and hand sewn loafers. Highly recognized *Sebago*® line extensions include *Sebago Docksides*®, *Drysides*® and *Triwater*™. The *Sebago*® product line is currently marketed in approximately 120 countries and territories worldwide. The *Sebago*® manufacturing and design tradition of quality components, durability, comfort and "Americana" heritage is further supported by targeted distribution to better-grade independent, marine and department store retailers throughout the world. We also market a classic and marine *Sebago*® apparel line.

Cushe®. The *Cushe*® business focuses on relaxed, design-led footwear for active men and women. The *Cushe*® footwear business targets younger adult consumers and better-grade retailers with products ranging from sport casual footwear to sandals. *Cushe*® is marketed under three primary collections: Universal Traveler, Urban Safari and Coastal Supremacy.

Soft Style®. The *Soft Style*® product line consists primarily of women's dress and casual footwear.

Recent Results

In our third fiscal quarter (which ended September 8, 2012), we experienced solid to good performance in the United States, Latin America and Asia regions compared to the third fiscal quarter of last year, but we also experienced an especially challenging macroeconomic environment and retail conditions in Europe, which represents less than 20% of our global unit volume. Due primarily to these challenges in Europe, we expect that earnings per share in the quarter will be approximately $0.10 per share below the prior year's record $0.82 per share.

Although our expectations for the fourth fiscal quarter have been tempered by the even more challenging trading conditions in Europe, we still expect to report net sales and earnings per share growth in the fourth fiscal quarter.

This information about our third fiscal quarter performance and the forward-looking financial information about financial performance is preliminary and is inherently subject to variability, as our financial statements for the third fiscal quarter are not yet available and our fourth fiscal quarter is not yet complete.

Wolverine World Wide, Inc., publicly traded on the New York Stock Exchange under the ticker symbol "WWW," is a Delaware corporation and the successor of a Michigan corporation of the same name organized in 1906, which, in turn, was the successor of a footwear business established in Grand Rapids, Michigan in 1883.

Our principal executive offices are located at 9341 Courtland Drive N.E., Rockford, Michigan 49351 and our telephone number at that address is (616) 866-5500. Our website is located at *http://www.wolverineworldwide.com*. Our website and the information contained on our website is not part of this offering memorandum, and you should rely only on the information contained in this offering memorandum or incorporated herein by reference when making a decision as to whether to invest in the notes.

Summary historical and pro forma consolidated financial information of Wolverine

The following tables present summary historical and pro forma consolidated financial information for the periods and as of the dates indicated. The summary historical consolidated financial information for fiscal years 2011, 2010 and 2009 is derived from, and qualified by reference to, our audited consolidated financial statements incorporated by reference in this offering memorandum. The summary historical consolidated financial information for the 24 weeks ended June 16, 2012 and June 18, 2011 and the trailing four quarters ended June 16, 2012 is derived from, and qualified by reference to, our unaudited consolidated financial statements incorporated by reference in this offering memorandum. Our unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in our opinion, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such financial statements in all material respects. The results for any interim period are not necessarily indicative of the results that may be expected for a full year or any future period.

We have derived the summary historical consolidated financial information for the trailing four quarters ended June 16, 2012 by combining the applicable financial data from our unaudited consolidated financial statements for the 24 weeks ended June 16, 2012 with the applicable financial data from our audited consolidated financial statements for the fiscal year ended December 31, 2011, less the applicable financial data from our unaudited consolidated financial statements for the 24 weeks ended June 18, 2011. The summary unaudited pro forma data as of and for the trailing four quarters ended June 16, 2012 have been derived from the unaudited pro forma financial statements included elsewhere in this offering memorandum. The unaudited pro forma balance sheet information as of June 16, 2012 is presented as if the Transactions had occurred on June 16, 2012. The unaudited pro forma statement of operations information is presented as if the Transactions had occurred on January 2, 2011. We present the unaudited pro forma financial information for informational purposes only. The unaudited pro forma financial information is based on currently available information and assumptions that we believe are reasonable at this time.

The unaudited pro forma consolidated condensed financial statements were prepared using the purchase method of accounting. Wolverine has been treated as the purchaser for accounting purposes. The purchase accounting related to this unaudited pro forma information is dependent upon certain valuations and other studies that have yet to progress to a stage where there is sufficient information for a definitive measurement. The pro forma adjustments included have been made solely for the purposes of providing unaudited pro forma consolidated condensed financial information. Differences between the estimates reflected in this unaudited pro forma information and the final purchase accounting will likely occur, and these differences could have a material impact on the accompanying unaudited pro forma consolidated condensed financial information and the combined company’s future consolidated financial position or results of operations.

Our allocation of the purchase price is pending completion of several elements, as mentioned above, including the finalization of independent valuations to determine the fair values of the assets acquired and liabilities assumed. Given the preliminary state of the independent valuation work, certain estimates and assumptions have been made in the development of fair value information pertaining to certain assets acquired and liabilities assumed as documented in the notes to the unaudited pro forma consolidated condensed financial statements. The final determination of the purchase price, fair values, goodwill and adjustments affecting pro forma operating results may differ significantly from what is reflected in these unaudited pro forma consolidated condensed financial statements.

The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of what our consolidated financial position or results of operations actually would have been had we completed the Acquisition at the dates indicated above. In addition, the unaudited pro forma financial information does not purport to project our future consolidated financial position or results of operations. We cannot assure you that the assumptions used by our management for the preparation of the unaudited pro forma financial information, which management believes are reasonable, will prove to be accurate.

The summary historical and pro forma financial information set forth in the following tables should be read in conjunction with our historical consolidated financial statements and related notes, incorporated by reference in this offering memorandum, and “Management’s discussion and analysis of financial condition and results of operations,” and “Unaudited pro forma consolidated condensed financial information,” each included elsewhere in this offering memorandum.

	Wolverine World Wide, Inc.						
	Fiscal year			24 Weeks ended		Trailing four quarters ended	Pro forma trailing four quarters ended
	2011	2010	2009	June 16, 2012	June 18, 2011	June 16, 2012	June 16, 2012
(Dollars in thousands)				**(unaudited)**		**(unaudited)**	
Statement of operations data:							
Revenue	$1,409,068	$1,248,517	$1,101,056	$635,526	$641,012	$ 1,403,582	$ 2,465,570
Cost of goods sold	852,316	754,537	663,461	385,264	381,096	856,484	1,614,895
Restructuring and other transition costs(1)	—	1,406	5,873	—	—	—	—
Gross profit	556,752	492,574	431,722	250,262	259,916	547,098	850,675
Selling, general and administrative expenses	386,534	347,499	316,378	190,451	177,080	399,905	659,286
Restructuring and other transition costs(1)	—	2,828	29,723	—	—	—	—
Operating profit	170,218	142,247	85,621	59,811	82,836	147,193	191,389
Other expenses (income):							
Interest expense	1,395	571	494	814	462	1,747	60,942
Interest income	(370)	(184)	(383)	(66)	(108)	(328)	(486)
Other expense (income)—net(2)	283	(1,366)	(182)	1,614	393	1,504	1,504
	1,308	(979)	(71)	2,362	747	2,923	61,960
Earnings before income taxes	168,910	143,226	85,692	57,449	82,089	144,270	129,429
Income taxes	45,623	38,756	23,780	5,955	22,246	29,332	11,725

	Wolverine World Wide, Inc.						
	Fiscal year			24 Weeks ended		Trailing four quarters ended	Pro forma trailing four quarters ended
(Dollars in thousands)	2011	2010	2009	June 16, 2012 (unaudited)	June 18, 2011 (unaudited)	June 16, 2012 (unaudited)	June 16, 2012
Net earnings	$123,287	$ 104,470	$ 61,912	$ 51,494	$ 59,843	$ 114,938	$ 117,704
Net loss attributable to non-controlling interests(3)	—	—	—	(184)	—	(184)	(184)
Net earnings attributable to Wolverine World Wide, Inc.	123,287	$ 104,470	$ 61,912	$ 51,678	$ 59,843	$ 115,122	$ 117,888
Balance sheet data (at period end):							
Cash and cash equivalents	$ 140,012	$ 150,400	$160,439	$156,627	$ 118,478	$ 156,627	$ 99,622
Total assets	851,652	786,575	712,076	892,321	833,497	892,321	2,649,397
Total debt	11,515	1,034	1,615	28,000	20,539	28,000	1,275,000
Total liabilities	273,002	242,678	230,043	263,710	239,234	263,710	2,053,894
Total stockholders' equity	578,650	543,897	482,033	628,611	594,263	628,611	595,503
Working capital(4)	485,818	438,979	379,083	514,848	458,602	514,848	722,549
Statement of cash flows data:							
Net cash provided by (used in) operating activities	$ 78,814	$ 67,866	$168,609	$ 15,533	$ (19,719)		
Net cash used in investing activities	(22,583)	(17,038)	(22,303)	(7,600)	(10,592)		
Net cash provided by (used in) financing activities	(62,317)	(59,149)	(79,244)	9,111	(5,004)		
Other financial data:							
Depreciation and amortization	$ 15,907	$ 16,201	$ 17,621	$ 7,619	$ 7,555	$ 15,971	$ 38,071
Capital expenditures	(19,397)	(16,370)	(11,670)	(4,678)	(9,182)	(14,893)	(37,593)
EBITDA(5)	185,842	159,814	103,424	66,000	89,998	161,844	242,567
Adjusted EBITDA(5)	217,418	190,777	163,854	91,725	105,453	203,690	295,487
Ratio of total debt to Adjusted EBITDA							4.3x
Ratio of Adjusted EBITDA to interest expense							4.9x

(1) On January 7, 2009, our Board of Directors approved a strategic restructuring plan designed to create significant operating efficiencies, improve our supply chain and create a stronger global platform. On October 7, 2009, we announced that two initiatives in our restructuring plan had been expanded to enable the consolidation of two domestic manufacturing facilities into one and to finalize realignment in certain of our product creation organizations.

(2) Other expense (income) includes foreign exchange gains and losses on foreign exchange contracts used to hedge U.S dollar inventory purchases made by non-U.S wholesale operations and ticking fees associated with the unused portion of the New Credit Facility.

(3) Represents minority interest income (loss) in joint ventures majority owned by Wolverine.

(4) Working capital is defined as total current assets minus total current liabilities.

(5) EBITDA, a measure used by management to evaluate operating performance, is defined as net earnings plus (i) interest expense, (ii) provision for income taxes and (iii) depreciation and amortization less (iv) interest income. Adjusted EBITDA is defined as EBITDA adjusted to exclude noncash items, unusual items and other items. EBITDA and Adjusted EBITDA are not recognized terms under GAAP and do not purport to be alternatives to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. We present EBITDA and Adjusted EBITDA because we believe EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of our operating businesses and provide greater

transparency with respect to our results of operations. EBITDA and Adjusted EBITDA are used by our management, including our chief operating decision maker, to perform such evaluations. EBITDA and Adjusted EBITDA items should not be considered in isolation or as a substitute for net earnings or other statement of operations data prepared in accordance with GAAP.

We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We believe Adjusted EBITDA also facilitates company-to-company operating performance comparisons by backing out those items in EBITDA as well as certain historical cost (benefit) items which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present EBITDA and Adjusted EBITDA measures when reporting their results.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider EBITDA and Adjusted EBITDA either in isolation or as substitutes for analyzing our results as reported under GAAP. Some of these limitations are:

- these measures do not reflect changes in, or cash requirements for, our working capital needs;
- these measures do not reflect our interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- these measures do not reflect our income tax expense or the cash requirements to pay our taxes;
- these measures do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these EBITDA measures do not reflect any cash requirements for such replacements; and
- other companies may calculate these EBITDA measures differently so they may not be comparable.

Set forth below is a reconciliation of net earnings to EBITDA and Adjusted EBITDA.

	Wolverine World Wide, Inc.						
	Fiscal year			24 Weeks ended		Trailing four quarters ended	Pro forma trailing four quarters ended
	2011	2010	2009	June 16, 2012	June 18, 2011	June 16, 2012	June 16, 2012
	(Dollars in thousands)			(Unaudited)		(Unaudited)	
Net earnings	$123,287	$104,470	$ 61,912	$ 51,678	$ 59,843	$ 115,122	$ 117,888
Interest expense	1,395	571	494	814	462	1,747	60,942
Interest income	(370)	(184)	(383)	(66)	(108)	(328)	(486)
Income taxes	45,623	38,756	23,780	5,955	22,246	29,332	11,725
Depreciation and amortization	15,907	16,201	17,621	7,619	7,555	15,971	52,498(a)
EBITDA	$185,842	$159,814	$103,424	$ 66,000	$ 89,998	$ 161,844	$ 242,567
Non-cash pension expense	17,502	16,286	15,891	12,948	8,078	22,372	23,372(b)
Share-based compensation expense	14,074	11,543	8,943	7,858	7,377	14,555	17,055(c)
Restructuring and other transition costs	—	4,234	35,596	—	—	—	—(d)
Cost related to the proposed acquisition of PLG	—	—	—	4,919	—	4,919	—(e)
Gains on sales of assets outside ordinary course of business	—	(1,100)	—	—	—	—	—(f)
Strategic review	—	—	—	—	—	—	1,408(g)
Lease termination & other	—	—	—	—	—	—	926(h)
Severance related to store closure	—	—	—	—	—	—	192(h)
Non-recurring product recall expenses	—	—	—	—	—	—	3,371(i)
Subtotal	$217,418	$190,777	$163,854	$ 91,725	$105,453	$ 203,690	$ 288,891
CBI corporate cost allocations adjustment	—	—	—	—	—	—	6,596(j)
Adjusted EBITDA	$217,418	$190,777	$163,854	$ 91,725	$105,453	$ 203,690	$ 295,487

(a) Consists of the combination of our and PLG's depreciation and amortization expense, including the impact of the preliminary valuation of intangible assets acquired and the purchase price allocated to property, plant and equipment, net.

(b) We have non-contributory, defined benefit pension plans covering a majority of our domestic employees. Our principal defined benefit pension plan provides benefits based on the employee's years of service and final average earnings (as defined in the plan), while the other plan provides benefits at a fixed rate per year of service.

We have a Supplemental Executive Retirement Plan (the "SERP") for certain current and former employees that entitles a participating employee to receive payments from us following retirement based on the employee's years of service and final average earnings (as defined in the SERP). Under the SERP, the employees can elect early retirement with a corresponding reduction in benefits. We also have individual deferred compensation agreements with certain former employees that entitle them to receive payments from us for a period of fifteen to eighteen years following retirement. We maintain life insurance policies that are intended to fund deferred compensation benefits under the SERP and deferred compensation agreements.

PLG's pension plan is a noncontributory defined benefit pension plan, which no longer accrues future benefits, that covers certain eligible PLG associates. Prior to the freezing of the plan, eligible PLG associates accrued pension benefits at a fixed unit rate based on the associate's service and compensation.

Additional information pertaining to pension expense can be found in our audited and interim financial statements incorporated by reference in this offering memorandum and PLG's audited and interim financial statements included elsewhere in this offering memorandum.

(c) Consists of our and PLG's share-based compensation expense. Additional information pertaining to share-based compensation expense amounts can be found in our audited and interim financial statements incorporated by reference in this offering memorandum, PLG's audited and interim financial statements included elsewhere in this offering memorandum and in our proxy statements filed with the SEC.

(d) On January 7, 2009, our Board of Directors approved a strategic restructuring plan designed to create significant operating efficiencies, improve our supply chain and create a stronger global platform. On October 7, 2009, we announced that two initiatives in our restructuring plan had been expanded to enable the consolidation of two domestic manufacturing facilities into one and to finalize realignment in certain of our product creation organizations. Additional information pertaining to restructuring related expense can be found in our audited and interim financial statements incorporated by reference in this offering memorandum.

(e) This amount has been excluded from the pro forma combined net earnings amount.

(f) In the fourth quarter of 2010, we sold our Wolverine Procurement assets, which resulted in a $1.1 million gain.

(g) In 2011, CBI announced a review of strategic and financial alternatives to further enhance shareholder value. A portion of these costs were allocated to PLG.

(h) In 2011, CBI announced, as part of its efforts to optimize the performance of its *Stride Rite®* store fleet, that it would close underperforming and low volume, non-strategic stores over the next three years resulting in lease termination costs, employee termination costs and other exit costs.

(i) This adjustment reflects lost sales, returned goods and related expenses with respect to the voluntary recall of a product from the European marketplace by PLG.

(j) Represents the cost difference between CBI corporate costs allocated to PLG for Finance, Human Resources, Legal, Administration, Information Technology and Consumer Insights and Wolverine's projected costs for providing these same services.

Summary historical financial information of the PLG Business

The following tables present summary historical combined financial information for the periods and as of the dates indicated. The summary historical combined financial information for fiscal years 2011, 2010 and 2009 is derived from, and qualified by reference to, the audited combined financial statements of the PLG Business included elsewhere in this offering memorandum. The summary historical combined financial information for the 26 weeks ended July 28, 2012 and July 30, 2011 and the trailing four quarters ended July 28, 2012 is derived from, and qualified by reference to, the unaudited combined financial statements of the PLG Business included elsewhere in this offering memorandum. The unaudited combined financial statements of the PLG Business have been prepared on the same basis as the audited combined financial statements of the PLG Business and, in our opinion, reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such financial statements in all material respects. The results for any interim period are not necessarily indicative of the results that may be expected for a full year or any future period.

The historical combined financial statements of the PLG Business reflect the amounts that have been "carved-out" from CBI's consolidated financial statements prepared in accordance with GAAP and reflect assumptions and allocations made by CBI to depict the PLG Business on a stand-alone basis. As a result, the historical combined financial statements of the PLG Business included herein may not necessarily be indicative of the financial position, results of operations or cash flows of the PLG Business had it operated as a stand-alone entity during the periods presented.

We have derived the summary historical combined financial information for the trailing four quarters ended July 28, 2012 by combining the applicable financial data from the unaudited combined financial statements of the PLG Business for the 26 weeks ended July 28, 2012 with the applicable financial data from the audited combined financial statements of the PLG Business for the fiscal year ended January 28, 2012, less the applicable financial data from the unaudited combined financial statements of the PLG Business for the 26 weeks ended July 30, 2011. The summary historical financial information set forth in the following tables should be read in conjunction with the historical combined financial statements and related notes of the PLG Business and "Management's discussion and analysis of financial condition and results of operations—Results of operations of the PLG Business," each included elsewhere in this offering memorandum.

	52 Weeks ended			26 Weeks ended		Trailing four quarters ended July 28, 2012
	January 28, 2012	January 29, 2011	January 30, 2010	July 28, 2012	July 30, 2011	
(Dollars in thousands)				**(Unaudited)**		**(Unaudited)**
Statement of operations data:						
Net sales	$ 1,019,254	$ 856,092	$ 732,291	$586,569	$543,836	$ 1,061,988
Cost of sales	756,736	589,096	496,717	410,209	408,535	758,411
Gross margin	262,518	266,996	235,574	176,360	135,301	303,577
Selling, general and administrative expenses	239,397	224,238	219,868	133,917	123,441	249,873
Operating profit	23,121	42,758	15,706	42,443	11,860	53,704
Interest expense	23,073	31,654	41,088	9,299	12,375	19,997
Interest income	(44)	—	(10)	(114)	—	(158)
Loss on early extinguishment of debt	—	1,685	194	—	—	—
Net earnings (loss) before income taxes	92	9,419	(25,566)	33,258	(515)	33,865
Expense (benefit) for income taxes	(7,403)	(2,390)	(6,458)	2,908	(4,861)	366
Net earnings (loss)	$ 7,495	$ 11,809	$ (19,108)	$ 30,350	$ 4,346	$ 33,499

(Dollars in thousands)	52 Weeks ended January 28, 2012	52 Weeks ended January 29, 2011	52 Weeks ended January 30, 2010	26 Weeks ended July 28, 2012 (Unaudited)	26 Weeks ended July 30, 2011 (Unaudited)	Trailing four quarters ended July 28, 2012 (Unaudited)
Balance sheet data (at period end):						
Cash and cash equivalents	$ 7,452	$ 10,376	$ 8,730	$ 8,904	$ 11,464	$ 8,904
Total assets	982,311	961,543	907,329	1,003,808	999,266	1,003,808
Total liabilities	771,900	776,822	878,646	790,416	779,714	790,416
Total debt	484,328	489,386	673,367	481,799	486,857	481,799
Total Parent Company Equity (Deficit)	210,412	184,722	(28,684)	213,392	219,552	213,392
Working capital(1)	235,345	181,305	139,774	240,110	236,673	240,110
Statement of cash flows data:						
Cash flow provided (used in) by operating activities	$ 3,900	$ 7,800	$ 31,100	$ 37,100	$ (8,600)	
Cash flow used in investing activities	(23,700)	(14,600)	(12,000)	(9,200)	(9,700)	
Cash flow provided by (used in) financing activities	20,100	9,600	(12,700)	(32,200)	21,300	
Other financial data:						
Depreciation and amortization	$ 22,500	$ 25,600	$ 29,200	$ 10,900	$ 11,300	$ 22,100
Capital expenditures	(22,900)	(14,600)	(12,000)	(9,100)	(9,300)	(22,700)
EBITDA(2)	45,621	66,673	44,712	53,343	23,160	75,804
Adjusted EBITDA(2)	78,369	73,958	51,806	58,819	59,650	85,201

(1) Working capital is defined as total current assets minus total current liabilities.

(2) EBITDA, a measure used by management to evaluate operating performance, is defined as net earnings (loss) plus (i) interest expense, (ii) provision for income taxes and (iii) depreciation and amortization less (iv) interest income. Adjusted EBITDA is defined as EBITDA adjusted to exclude noncash items, unusual items and other items. EBITDA and Adjusted EBITDA are not recognized terms under GAAP and do not purport to be alternatives to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. We present EBITDA and Adjusted EBITDA because we believe EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the performance of our operating businesses and provide greater transparency with respect to our results of operations. EBITDA and Adjusted EBITDA are used by our management, including our chief operating decision maker, to perform such evaluations. EBITDA and Adjusted EBITDA items should not be considered in isolation or as a substitute for net earnings or other statement of operations data prepared in accordance with GAAP.

We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We believe Adjusted EBITDA also facilitates company-to-company operating performance comparisons by backing out those items in EBITDA as well as certain historical cost (benefit) items which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA and Adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present EBITDA and Adjusted EBITDA measures when reporting their results.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider EBITDA and Adjusted EBITDA either in isolation or as substitutes for analyzing PLG's results as reported under GAAP. Some of these limitations are:

- these measures do not reflect changes in, or cash requirements for, PLG's working capital needs;
- these measures do not reflect PLG's interest expense, or the cash requirements necessary to service interest or principal payments, on PLG's debt;
- these measures do not reflect PLG's income tax expense or the cash requirements to pay PLG's taxes;
- these measures do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these EBITDA measures do not reflect any cash requirements for such replacements; and
- other companies may calculate these EBITDA measures differently so they may not be comparable.

Set forth below is a reconciliation of net earnings to EBITDA and Adjusted EBITDA.

	52 Weeks ended			26 Weeks ended		Trailing four quarters ended
	January 28, 2012	January 29, 2011	January 30, 2010	July 28, 2012	July 30, 2011	July 28, 2012
(Dollars in thousands)				(Unaudited)		(Unaudited)
Net earnings	$ 7,495	$ 11,809	$ (19,108)	$ 30,350	$ 4,346	$ 33,499
Interest expense	23,073	31,654	41,088	9,299	12,375	19,997
Interest income	(44)		(10)	(114)		(158)
Income taxes	(7,403)	(2,390)	(6,458)	2,908	(4,861)	366
Depreciation and amortization	22,500	25,600	29,200	10,900	11,300	22,100
EBITDA	45,621	66,673	44,712	53,343	23,160	75,804
Share-based compensation expense	3,300	4,700	4,200	1,000	1,800	2,500(a)
Pension expense	500	900	2,700	800	300	1,000(b)
Loss on early extinguishment of debt	—	1,685	194	—	—	—(c)
Impairment of tangible assets	4,063	—	—	—	4,058	5(d)
Impairment of tradenames	23,500	—	—	—	23,500	—(e)
Lease termination	807	—	—	(8)	—	799(d)
Severance related to store closures	156	—	—	36	—	192(d)
Strategic review	420	—	—	988	—	1,408(f)
Other	2	—	—	120	—	122(d)
Non-recurring product recall expenses	—	—	—	3,371	—	3,371(g)
Adjusted EBITDA	$ 78,369	$ 73,958	$ 51,806	$ 59,650	$ 52,818	$ 85,201

(a) Consists of PLG's share-based compensation expense. Additional information pertaining to share-based compensation expense amounts can be found in PLG's audited and interim financial statements included elsewhere in this offering memorandum.

(b) PLG's pension plan is a noncontributory defined benefit pension plan, which no longer accrues future benefits, that covers certain eligible PLG associates. Prior to the freezing of the plan, eligible PLG associates accrued pension benefits at a fixed unit rate based on the associate's service and compensation. Additional information pertaining to pension expense can be found in PLG's audited and interim financial statements included elsewhere in this offering memorandum.

(c) The loss on early extinguishment of debt relates to the acceleration of deferred debt costs related to PLG's term loan facility in proportion to the amounts extinguished.

(d) In 2011, CBI announced, as part of its efforts to optimize the performance of its *Stride Rite*® store fleet, that it would close underperforming and low volume, non-strategic stores over the next three years resulting in lease termination costs, employee termination costs and other exit costs incurred by PLG. In addition, PLG recorded a non-cash asset impairment charge as a result of a decline in PLG's retail business.

(e) As a result of the decline in performance of PLG's domestic retail businesses, PLG revised its financial projections related to certain tradenames and reporting units in the second quarter of 2011. These revisions indicated a potential impairment of intangible assets and, as such, PLG assessed the fair value of these items to determine if their book value exceeded their fair value. As a result of this assessment, PLG determined that the book value of certain indefinite-lived trademarks exceeded their fair value and PLG recognized a pre-tax impairment charge for its indefinite-lived trademarks.

(f) In 2011, CBI announced a review of strategic and financial alternatives to further enhance shareholder value. A portion of these costs were allocated to PLG.

(g) This adjustment reflects lost sales, returned goods and related expenses with respect to the voluntary recall of a product from the European marketplace by PLG.

Capitalized terms used herein that are not defined have meanings set forth in Exhibit 99.1 to Wolverine World Wide, Inc.'s Current Report on Form 8-K filed on September 24, 2012.

Risk factors

Risks related to our business

Changes in general economic conditions and other factors affecting consumer spending could adversely affect our sales, operating results or financial position.

Our global operations depend on factors affecting consumer disposable income and spending patterns. These factors include general economic conditions, employment rates, business conditions, interest rates and tax policy in each of the markets and regions in which we operate. Customers may defer or cancel purchases of our products due to uncertainty about global economic conditions. Consumer confidence may decline due to recessionary economic cycles, high interest rates on consumer or business borrowings, restricted credit availability, inflation, high levels of unemployment or consumer debt, high tax rates or other economic factors. For example, the challenging economic environment in Europe has adversely impacted our results of operations in this fiscal year and we expect the adverse economic environment will continue to affect our sales and earnings across that region in the near future as the result of austerity measures imposed by certain governments and higher levels of unemployment, as well as a general loss of consumer confidence. Declining consumer confidence could adversely affect demand for our products. Changes in the amount or severity of bad weather and the growth or decline of global footwear, apparel or consumer-direct markets could negatively affect consumer spending. A decline in demand for our products could reduce our revenues or profit margins.

General economic conditions and other factors such as those listed above may increase our cost of sales and operating expenses. Our profitability is also dependent on the prices of commodities, such as cotton, rubber and petroleum, used to make and transport our products, as well as the prices of labor, insurance and health care, all of which may be affected by general economic conditions.

We operate in competitive industries and markets.

We compete with a large number of marketers of footwear or apparel, and consumer-direct companies. Some of these competitors are larger than we are and have greater resources than we have. Important elements of such competition are product performance and quality, including technological improvements, product identity, competitive pricing and the ability to adapt to style changes. Consumer preferences and, as a result, the popularity of particular designs and categories of footwear and apparel, generally change over time. We strive to maintain and improve our competitive position by monitoring and responding to changes in consumer preferences, increasing brand awareness, gaining sourcing efficiencies, and enhancing the style, comfort and perceived value of our products. Our continued ability to sell our products at competitive prices and to meet shifts in consumer preferences will affect our future sales. If we are unable to respond effectively to competitive pressures and changes in consumer spending, our results of operations and financial position may be adversely affected.

Many of our competitors have more developed consumer and customer bases, are able to sell their products at lower prices, or have greater financial, technical or marketing resources than we have, particularly our competitors in the apparel and consumer-direct businesses. Our competitors may own more recognized brands; implement more effective marketing campaigns; adopt more aggressive pricing policies; make more attractive offers to potential employees, distribution partners and manufacturers; or respond more quickly to changes in consumer preferences. Our results of operations and financial position could be adversely affected if our businesses are not successful.

Our operating results could be adversely affected if we are unable to maintain our brands' images or adjust to changing footwear and apparel trends.

Our success depends in part on our brands' images. If we are unable to timely and appropriately respond to changing consumer preferences and evolving footwear and apparel trends, the names and images of our brands may be impaired. If we fail to react appropriately to changes in consumer preferences, consumers may consider our brands' images to be outdated or associate our brands with styles that are no longer popular. Such failures could result in substantial unsold inventory and adversely affect our operating results.

Our operating results depend on effectively managing inventory levels.

Our ability to manage our inventories effectively is an important factor in our operations. Inventory shortages can impede our ability to meet demand, adversely affect the timing of shipments to customers, and, consequently, diminish brand loyalty and decrease sales. Conversely, excess inventories can result in lower gross margins if we lower prices in order to liquidate excess inventories. In addition, inventory may become obsolete as a result of changes in consumer preferences or otherwise. Our business, results of operations and financial position could be adversely affected if we are unable to effectively manage our inventory.

Increases or changes in duties, quotas, tariffs and other trade restrictions could adversely impact our sales and profitability.

All of our products manufactured overseas and imported into the United States, the European Union and other countries are subject to customs duties collected by customs authorities. The customs information we submit is routinely subject to review by customs authorities. Additional U.S. or foreign customs duties, quotas, tariffs, anti-dumping duties, safeguard measures, cargo restrictions to prevent terrorism or other trade restrictions may be imposed on the importation of our products in the future. The imposition of such costs or restrictions in foreign countries where we operate, as well as in countries where our third-party distributors and licensees operate, could result in increases in the cost of our products generally and could adversely affect our sales and profitability.

Foreign currency exchange rate fluctuations could adversely impact our business.

Foreign currency fluctuations affect our reported revenue and profitability. Since changes in currency exchange rates may impact our financial results positively or negatively in one period and not another, which may make it difficult to compare our operating results from different periods. Currency exchange rate fluctuations may also adversely impact third parties who manufacture our products by making their costs of raw materials or other production costs more expensive and more difficult to finance, thereby raising prices for us, our distributors and our licensees. Our hedging strategy may not be effective in reducing all risks, and no hedging strategy can completely insulate us from foreign exchange risk. We do not hedge foreign currency translation rate changes.

Significant supplier capacity constraints, supplier production disruptions, supplier quality issues or price increases could increase our operating costs and adversely impact our business.

We currently source most of our products from third-party manufacturers in foreign countries, predominantly China. As is common in the industry, we do not have long-term contracts with our third-party suppliers. There can be no assurance that we will not experience difficulties with such suppliers, including reductions in the availability of production capacity, failures to meet production deadlines or increases in manufacturing costs. Our future results will depend partly on our ability to maintain positive working relationships with third-party suppliers.

Foreign manufacturing is subject to a number of risks, including work stoppages, transportation delays and interruptions, political instability, foreign currency fluctuations, changing economic conditions, expropriation, nationalization, the imposition of tariffs, import and export controls and other non-tariff barriers and changes in governmental policies. Various factors could significantly interfere with our ability to source our products, including adverse developments in trade or political relations with China or other countries where we source our products, or a shift in China's manufacturing capacity away from footwear and apparel to other industries. Any of these events could have an adverse effect on our business, results of operations and financial position and, in particular, on our ability to meet customer demands and produce our products in a cost-effective manner.

The cost of raw materials and services could adversely affect our results of operations.

Our ability to competitively price our products depends on the cost of components, services, labor, equipment and raw materials, including leather and materials used in the production of footwear outsoles. The cost of services and materials is subject to change based on availability and market conditions that are difficult to predict. Various conditions, such as diseases affecting the availability of leather, affect the cost of the footwear marketed by us. In addition, fuel prices and numerous other factors, such as the possibility of service interruptions at shipping and receiving ports, affect our shipping costs. Increases in cost for services and materials used in production could have a negative impact on our results of operations and financial position.

We purchase raw pigskins for our leathers operations from a single domestic source pursuant to short-term contracts. If this source fails to continue to supply us with raw pigskin or supplies us with raw pigskin on less favorable terms, our cost of raw materials for our leathers operations could increase and, as a result, have a negative impact on our results of operations and financial position.

Labor disruptions could adversely affect our business.

Our business depends on our ability to source and distribute products in a timely manner. Labor disputes at or that affect independent factories where our goods are produced, shipping ports, tanneries, transportation carriers, retail stores or distribution centers create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes or other disruptions during our peak manufacturing and importing seasons. Any labor dispute may have a material adverse effect on our business, potentially resulting in cancelled orders by customers, unanticipated inventory accumulation and may negatively impact our results of operations and financial position.

A significant reduction in customer purchases of our products or failure of customers to pay for our products in a timely manner could adversely affect our business.

Our financial success is directly related to our customers continuing to purchase our products. We do not typically have long-term contracts with our customers. Sales to our customers are generally on an order-by-order basis and are subject to rights of cancellation and rescheduling by the customers. Failure to fill customers' orders in a timely manner could harm our relationships with our customers. Furthermore, if any of our major customers experience a significant downturn in their business, or fail to remain committed to our products or brands, they may reduce or discontinue purchases from us, which could have an adverse effect on our results of operations and financial position.

We sell our products to customers and extend credit based on an evaluation of each customer's financial condition. The financial difficulties of a customer could cause us to stop doing business with that customer or reduce our business with that customer. Our inability to collect from our customers or a cessation or reduction of sales to certain customers because of credit concerns could have an adverse effect on our business, results of operations and financial position.

The general trend toward consolidation in retail and specialty retail could lead to fewer customers, customers seeking more favorable price, payment or other terms from us and a decrease in the number of stores that carry our products. In addition, changes in the channels of distribution, such as the continued growth of Internet commerce and the trend toward the sale of private label products by major retailers, could have an adverse effect on our results of operations and financial position.

We have been awarded a number of U.S. Department of Defense contracts that include future purchase options for Bates ® footwear. Failure by the Department of Defense to exercise these purchase options or our failure to secure future U.S. Department of Defense contracts could have an adverse effect on our results of operations and financial position.

Seasonality and weather conditions affect our business.

We market and sell footwear and apparel suited for particular seasons, such as sandals in the summer season and boots in the winter season. If the weather conditions for a particular season vary significantly from those typical for the season, such as an unusually cold summer or an unusually warm winter, consumer demand for seasonally-appropriate merchandise could be adversely affected. Lower demand for seasonally-appropriate merchandise may result in excess inventory of seasonally-appropriate products, forcing us to sell these products at significantly discounted prices, which would adversely affect our results of operations. Conversely, if weather conditions permit us to sell seasonal products early in the season, this may reduce inventory levels needed to meet customers' needs later in that same season. Consequently, our results of operations are highly dependent on somewhat predictable weather conditions and our ability to react to changes in weather conditions.

Changes in the credit markets could adversely affect our financial success.

Changes in the credit markets could adversely impact our future results of operations and financial position. If our third-party distributors, suppliers and retailers are not able to obtain financing on favorable terms, or at all, they may delay or cancel orders for our products, or fail to meet their obligations to us in a timely manner, either of which could adversely impact our sales, cash flow and operating results. In addition, the lack of available credit and/or the increased cost of credit may significantly impair our ability to obtain additional credit to finance future expansion plans, or refinance existing credit, on favorable terms, or at all.

Unfavorable findings resulting from a government audit could subject us to a variety of penalties and sanctions, and could negatively impact our future revenues.

The federal government has the right to audit our performance under its government contracts. If a government audit discovers improper or illegal activities, we could be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, and suspension or debarment from doing business with U.S. federal government agencies. We could also suffer serious harm to our reputation if the government alleges that we acted in an improper or illegal manner, whether or not any such allegations have merit. If, as the result of an audit or for any other reason, we are suspended or barred from contracting with the federal government generally, or any specific agency, if our reputation or relationship with government agencies is impaired, or if the government otherwise ceases doing business with us or significantly decreases the amount of business it does with us, our revenue and profitability would decrease. We are also subject to customs and other audits in various jurisdictions where we operate. Negative audit findings could have an adverse effect on our results of operations and financial position.

An increase in our effective tax rate or negative determinations by domestic or foreign tax authorities could have a material adverse effect on our results of operations and financial position.

A significant amount of our earnings are generated by our Canadian, European and Asia Pacific subsidiaries and, to a lesser extent, in jurisdictions that are not subject to income tax and free trade zones where we own manufacturing operations. As a result, our income tax expense has historically differed from the tax computed at the U.S. federal statutory income tax rate due to discrete items and because we do not provide for U.S. taxes on earnings we consider to be permanently reinvested in foreign operations. Our future effective tax rates could be unfavorably affected by a number of factors including: changes in the tax rates in jurisdictions in which we generate income; changes in, or in the interpretation of, tax rules and regulations in the jurisdictions in which we do business; decreases in the amount of earnings in countries with low statutory tax rates; or if we repatriate foreign earnings for which no provision for U.S. taxes has previously been made. An increase in our effective tax rate could have a material adverse effect on our after-tax results of operations and financial position.

In addition, our income tax returns are subject to examination by the Internal Revenue Service and other domestic and foreign tax authorities. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, and we establish reserves for potential adjustments that may result from these examinations. While we believe the estimates used to establish these reserves are reasonable, there can be no assurance that the final determination of any of these examinations will not have an adverse effect on our results of operations and financial position.

Failure of our international licensees and distributors to meet sales goals or to make timely payments on amounts owed to us could adversely affect our financial performance.

In many international markets, independent licensees or distributors sell our products. Failure by our licensees or distributors to meet planned annual sales goals or to make timely payments on amounts owed to us could have an adverse effect on our business, results of operations and financial position, and it may be difficult and costly to locate an acceptable substitute distributor or licensee. If a change in licensee or distributor becomes necessary, we may experience increased costs, as well as substantial disruption and a resulting loss of sales and brand equity in the market where such licensee or distributor operates.

Our reputation and competitive position are dependent on our third-party manufacturers, distributors, licensees and others complying with applicable laws and our ethical standards.

We require our independent contract manufacturers, distributors, licensees and others with which we do business to comply with our ethical standards and applicable laws relating to working conditions and other matters. If a party with whom we do business is found to have violated our ethical standards or applicable laws, we could receive negative publicity that could damage our reputation and negatively affect the value of our brands.

In addition, we rely on our licensees to help preserve the value of our brands. Although we attempt to protect our brands through approval rights over design, production processes, quality, packaging, merchandising, distribution, advertising and promotion of our licensed products, we cannot completely control the use by our licensees of our licensed brands. The misuse of a brand by a licensee could adversely affect the value of such brand.

Global political and economic uncertainty could adversely impact our business.

Concerns regarding acts of terrorism and regional and international conflicts have created significant global economic and political uncertainties that may have material and adverse effects on consumer demand, acceptance of U.S. brands in international markets, foreign sourcing of products, shipping and transportation, product imports and exports and the sale of products in foreign markets, any of which could adversely affect our ability to source, manufacture, distribute and sell our products. We are subject to risks related to doing business in developing countries and economically volatile areas. These risks include social, political and economic instability; nationalization of our, or our distributors' and licensees', assets and operations by local government authorities; slower payment of invoices; and restrictions on our ability to repatriate foreign currency or receive payment of amounts owed by third-party distributors and licensees. In addition, commercial laws in these areas may not be well developed or consistently administered, and new laws may be retroactively applied. Any of these risks could have an adverse impact on our prospects and results of operations in these areas.

Concerns regarding the European debt crisis, market perceptions and euro instability could adversely affect our business, results of operations and financing.

Concerns persist regarding the debt burden of certain countries in the Eurozone, in particular Greece, Italy, Ireland, Portugal and Spain, and their ability to meet future financial obligations, as well as the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Eurozone countries. These concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the euro as a currency. Should the euro be dissolved, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at that time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of our euro-denominated assets and obligations. In addition, concerns over the effect of this financial crisis on financial institutions in Europe and elsewhere could have an adverse impact on the capital markets generally, and more specifically on the ability of our customers, suppliers and lenders to finance their respective businesses.

If we are unsuccessful in establishing and protecting our intellectual property, the value of our brands could be adversely affected.

We invest significant resources to develop and protect our intellectual property, and we believe that our trademarks and other intellectual property rights are important to our future success. Our ability to remain competitive is dependent upon our continued ability to secure and protect trademarks, patents and other intellectual property rights in the United States and internationally for all of our lines of business. We rely on a combination of trade secret, patent, trademark, copyright and other laws, license agreements and other contractual provisions and technical measures to protect our intellectual property rights; however, some countries' laws do not protect intellectual property rights to the same extent as do U.S. laws. Our business could be significantly harmed if we are not able to protect our intellectual property, or if a court found that we were infringing on other persons' intellectual property rights. Any intellectual property lawsuits or threatened lawsuits in which we are involved, either as a plaintiff or as a defendant, could cost us a significant amount of time and money and distract management's attention from operating our business. In addition, if we do not prevail on any intellectual property claims, then we may have to change our manufacturing processes, products or trade names, any of which could reduce our profitability.

In addition, some of our branded footwear operations are operated pursuant to licensing agreements with third-party trademark owners. These agreements are subject to early termination for breach. Expiration or early termination of any of these license agreements by the licensor could have a material adverse effect on our business, results of operations and financial position.

We periodically discover products that are counterfeit reproductions of our products or that we believe otherwise infringe on our intellectual property rights. We have not always been able to stop production and sales of counterfeit products and infringement of our intellectual property rights. The actions we take to establish and protect trademarks, patents and other intellectual property rights both inside and outside of the United States may not be adequate to prevent imitation of our products by others. Continued sales of products that infringe our intellectual property rights could adversely affect our sales, devalue our brands and result in the shift of consumer preference away from our products.

Our inability to attract and retain executive managers and other key employees, or the loss of one or more executive managers or other key employees, could adversely affect our business.

We depend on our executive management and other key employees. In the footwear, apparel and consumer-direct industries, competition for key executive talent is intense, and our failure to identify, attract or retain executive managers or other key employees could adversely affect our business. We must offer and maintain competitive compensation packages to effectively recruit and retain such individuals. Further, the loss of one or more executive managers or other key employees, or our failure to successfully implement succession planning, could adversely affect us, our results of operations or financial position.

Inflationary pressures and other pressures may lead to higher employment and pension costs for us.

General inflationary pressures, changes in employment laws and regulations, and other factors could increase our overall employment costs. Our employment costs include costs relating to health care benefits and benefits under our retirement plans, including a U.S.-based defined benefit plan. The annual cost of benefits can vary significantly depending on a number of factors, including changes in the assumed or actual rate of return on pension plan assets, a change in the discount rate used to determine the annual service cost related to the defined benefit plans, a change in method or timing of meeting pension funding obligations and the rate of health care cost inflation. Increases in our overall employment and pension costs could have an adverse effect on our business, results of operations and financial position.

Disruption of our information technology systems could adversely affect our business.

Our information technology systems are critical to the operations of our business. Any interruption, unauthorized access, impairment or loss of data integrity or malfunction of these systems could severely impact our business, including as a result of delays in product fulfillment and reduced efficiency in operations. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems, or with maintenance or adequate support of existing systems, could disrupt or reduce the efficiency of our operations.

If we encounter problems affecting our distribution system, our ability to deliver our products to the market could be adversely affected.

We rely on owned or independently operated distribution facilities to warehouse and ship products to our customers. Our distribution system includes computer-controlled and automated equipment, which may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. Because substantially all of our products are distributed from a relatively small number of locations, our operations could also be interrupted by earthquakes, floods, fires or other natural disasters near our distribution centers. We maintain business interruption insurance, but it may not adequately protect us from the adverse effects that could be caused by significant disruptions affecting our distribution facilities, such as the long-term loss of customers or an erosion of brand image. In addition, our distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from our distribution facilities. If we encounter problems affecting our distribution system, our ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be materially adversely affected.

Failure to maintain the security of personally identifiable and other information of our customers and employees could negatively impact our business.

In connection with our business, we collect and retain significant volumes of certain types of personally identifiable and other information pertaining to our customers and employees. Theft, loss, fraudulent use or misuse of customer, employee or our other data as a result of cybercrime or otherwise could adversely impact our reputation and could result in significant costs, fines, litigation or regulatory action against us.

We face risks associated with our growth strategy and acquiring businesses.

We have expanded our products and markets in part through strategic acquisitions, and we may continue to do so in the future, depending on our ability to identify and successfully pursue suitable acquisition candidates. Acquisitions, including the Acquisition of the PLG Business, involve numerous risks, including risks inherent in entering new markets in which we may not have prior experience; potential loss of significant customers or key personnel of the acquired business; managing geographically-remote operations; and potential diversion of management’s attention from other aspects of our business operations. Acquisitions may also cause us to incur debt or result in dilutive issuances of our equity securities, write-offs of goodwill and substantial amortization expenses associated with other intangible assets. We may not be able to obtain financing that may be necessary to finance future acquisitions, on favorable terms, making any such acquisitions more expensive. Any such financing may have onerous terms that restrict our operations. We cannot provide assurance that we will be able to successfully integrate the operations of any acquired businesses into our operations and achieve the expected benefits of any acquisitions. The failure to successfully integrate newly acquired businesses or achieve the expected benefits of strategic acquisitions in the future could have an adverse effect on our results of operations and financial position. We may not consummate a potential acquisition for a variety of reasons, but we may nonetheless incur material costs in the preliminary stages of such an acquisition that we cannot recover.

Maintenance and growth of our business depends upon the availability of adequate capital.

The maintenance and growth of our business depends on the availability of adequate capital, which in turn depends in large part on cash flow generated by our business and the availability of equity and debt financing. We cannot provide assurance that our operations will generate positive cash flow or that we will be able to obtain equity or debt financing on acceptable terms or at all. Further, we cannot provide assurance that we will be able to finance any expansion plans.

Expanding our brands into new markets and expanding our owned consumer-direct operations may be difficult and costly, and unsuccessful efforts to do so may adversely affect our brands and business.

As part of our growth strategy, we seek to enhance the positioning of our brands, to extend our brands into complementary product categories, to expand geographically, and to expand our owned consumer-direct operations. There can be no assurance that we will be able to successfully implement any or all of these growth strategies, which could have an adverse effect on our results of operations and financial position.

Part of the future growth of our owned consumer-direct operations is significantly dependent on our ability to operate stores in desirable locations at reasonable lease costs. We cannot be sure as to when or whether such desirable locations will become available at reasonable costs. Further, if we are unable to renew or replace our existing store leases or enter into leases for new stores at attractive locations on favorable terms, or if we violate any of the terms of our current leases, our growth and profitability could be harmed.

Changes in government regulation may increase our costs of compliance, and failure to comply with government regulations or other standards may adversely affect our brands and business.

Our business is affected by changes in government and regulatory policies in the United States and in foreign jurisdictions. New requirements relating to product safety and testing and new environmental requirements, as well as changes in tax laws, duties, tariffs and quotas, could have a negative impact on our ability to produce and market footwear at competitive prices.

Failure to comply with such regulations, as well as with ethical, social, product, labor and environmental standards, could also jeopardize our reputation and potentially lead to various adverse consumer actions, including boycotts. Any negative publicity about these types of concerns may reduce demand for our merchandise. Damage to our reputation or loss of consumer confidence for any of these or other reasons could adversely affect our results of operations, as well as require additional resources to rebuild our reputation.

Our operations are subject to environmental and workplace safety laws and regulations, and costs or claims related to these requirements could adversely affect our business.

Our operations are subject to various federal, state and local laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants into the air, soil and water, the management and disposal of solid and hazardous materials and wastes, employee exposure to hazards in the workplace, and the investigation and remediation of contamination resulting from releases of hazardous materials. Failure to comply with legal requirements could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. We may incur investigation, remediation or other costs related to releases of hazardous materials or other environmental conditions at our currently or formerly owned or operated properties, regardless of whether such environmental conditions were created by us or a third party, such as a prior owner or tenant. We have incurred, and continue to incur, costs to address soil and groundwater contamination at some locations. If such issues become more expensive to address, or if new issues arise, they could increase our expenses, generate negative publicity, or otherwise adversely affect us.

The disruption, expense and potential liability associated with existing and future litigation against us could adversely affect our reputation, financial position or results of operations.

We are a defendant from time to time in lawsuits and regulatory actions relating to our business. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse impact on our business, financial position and results of operations. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are expensive and may require that we devote substantial resources and executive time to the defense of such proceedings.

Exhibit 99.3

Capitalized terms used herein that are not defined have meanings set forth in Exhibit 99.1 to Wolverine World Wide, Inc.'s Current Report on Form 8-K filed on September 24, 2012.

Capitalization

The following table sets forth our consolidated cash and cash equivalents and capitalization as of June 16, 2012:

- on an actual basis; and
- on an as adjusted basis to reflect the consummation of the Transactions and the application of the estimated proceeds from this offering and the related financing transactions as described in "Use of proceeds."

You should read this table in conjunction with "Use of proceeds," "Unaudited pro forma consolidated condensed financial information," "Selected historical consolidated financial information of Wolverine," "Management's discussion and analysis of financial condition and results of operations" and the consolidated financial statements and the related notes incorporated by reference in this offering memorandum.

	As of June 16, 2012	
(Dollars in millions)	**Actual**	**As adjusted**
Cash and cash equivalents	$ 156.6	$ 99.6
Long-term debt (including current portion):		
Existing revolving credit facility(1)	28.0	—
New Credit Facility:(2)		
Term Loan A Facility	—	550.0
Term Loan B Facility	—	350.0
New Revolving Credit Facility(3)	—	—
Senior notes offered hereby	—	375.0
Total long-term debt, net	28.0	1,275.0
Total stockholders' equity(4)	628.6	595.5
Total capitalization	$ 656.6	$ 1,870.5

(1) The existing revolving credit facility is expected to be repaid and terminated concurrently with the borrowings under the Term Loan Facilities and the consummation of the Acquisition.

(2) The New Credit Facility provides for an option to increase the aggregate principal amount of the facilities thereunder by up to an additional amount such that the total amount of all such facilities does not exceed $1.3 billion, subject to certain conditions.

(3) The New Revolving Credit Facility will provide for borrowing capacity of up to $200.0 million. As of June 16, 2012, on a pro forma basis after giving effect to the Transactions, we would have had unused commitments of $197.5 million under the New Revolving Credit Facility (after giving effect to $2.5 million of outstanding letters of credit).

(4) Excludes the impact of non-recurring expenses we expect to incur in connection with the Transactions, including the fees to investment bankers, attorneys, accountants and other professional advisors, the write-off of deferred financing costs and other transaction-related costs that will not be capitalized. See "Unaudited pro forma consolidated condensed financial information."

Exhibit 99.4

Capitalized terms used herein that are not defined have meanings set forth in Exhibit 99.1 to Wolverine World Wide, Inc.'s Current Report on Form 8-K filed on September 24, 2012.

Unaudited pro forma consolidated condensed financial information

We present the unaudited pro forma consolidated condensed financial information below for informational purposes only. Such information is preliminary and based on currently available information and assumptions that we believe are reasonable.

We have prepared the following unaudited pro forma consolidated condensed financial statements:

- Unaudited Pro Forma Consolidated Condensed Balance Sheet as of June 16, 2012;
- Unaudited Pro Forma Consolidated Condensed Statement of Operations for the 52 weeks ended June 16, 2012;
- Unaudited Pro Forma Consolidated Condensed Statement of Operations for the 24 weeks ended June 16, 2012;
- Unaudited Pro Forma Consolidated Condensed Statement of Operations for the 52 weeks December 31, 2011; and
- Unaudited Pro Forma Consolidated Condensed Statement of Operations for the 24 weeks June 18, 2011.

The unaudited pro forma consolidated condensed balance sheet as of June 16, 2012 is presented as if the Transactions had occurred on June 16, 2012. The unaudited pro forma consolidated condensed statements of operations are presented as if the Transactions had occurred on January 2, 2011, which is the first day of Wolverine's fiscal year ended December 31, 2011. The unaudited pro forma consolidated condensed statement of operations for the 52 weeks ended June 16, 2012 has been derived by taking the unaudited pro forma consolidated condensed statement of operations for the 24 weeks ended June 16, 2012, adding the unaudited pro forma consolidated condensed statement of operations for the 52 weeks ended December 31, 2011 and subtracting the unaudited pro forma consolidated condensed statement of operations for the 24 weeks ended June 18, 2011.

The historical combined financial information has been adjusted in the unaudited pro forma consolidated condensed financial statements to give effect to pro forma events that are (1) directly attributable to the Transactions, (2) factually supportable and (3) with respect to the statements of operations, expected to have a continuing impact on the combined financial results. The unaudited pro forma consolidated condensed financial information should be read in conjunction with the accompanying notes to the unaudited pro forma consolidated condensed financial statements. In addition, the unaudited pro forma consolidated condensed financial information was based on and should be read in conjunction with the:

- separate audited historical consolidated financial statements of Wolverine as of and for the 52 weeks ended December 31, 2011 and the related notes incorporated by reference in this offering memorandum;
- separate unaudited historical consolidated financial statements of Wolverine as of and for the 24 weeks ended June 16, 2012 and June 18, 2011 and the related notes incorporated by reference in this offering memorandum;
- separate audited historical combined financial statements of PLG as of and for the fiscal year ended January 28, 2012 and the related notes included in this offering memorandum; and

- separate unaudited historical combined financial statements of PLG as of and for the 26 weeks ended July 28, 2012 and July 30, 2011 and the related notes included in this offering memorandum.

All pro forma consolidated condensed financial statements use Wolverine's period-end dates and no adjustments were made to PLG's reported information for its different period-end dates.

The unaudited pro forma consolidated condensed financial statements were prepared using the purchase method of accounting. Wolverine has been treated as the purchaser for accounting purposes. The purchase accounting related to this unaudited pro forma information is dependent upon certain valuations and other studies that have yet to progress to a stage where there is sufficient information for a definitive measurement. The pro forma adjustments included have been made solely for the purposes of providing unaudited pro forma consolidated condensed financial information. Differences between the estimates reflected in this unaudited pro forma information and the final purchase accounting will likely occur, and these differences could have a material impact on the accompanying unaudited pro forma consolidated condensed financial information and the combined company's future consolidated financial position or results of operations.

Our allocation of the purchase price is pending completion of several elements, as mentioned above, including the finalization of independent valuations to determine the fair values of the assets acquired and liabilities assumed. Given the preliminary state of the independent valuation work, certain estimates and assumptions have been made in the development of fair value information pertaining to certain assets acquired and liabilities assumed, as described in the notes to the unaudited pro forma consolidated condensed financial statements. The final determination of the purchase price, fair values, goodwill and adjustments affecting pro forma operating results may differ significantly from what is reflected in these unaudited pro forma consolidated condensed financial statements.

The pro forma financial information is presented for informational purposes only and is not indicative of what our combined consolidated financial position or results of operations actually would have been had the Acquisition closed at the dates indicated above. In addition, the unaudited pro forma consolidated condensed financial information does not purport to project the future consolidated financial position or results of operations of the combined company. We cannot assure you that the assumptions used by our management for the preparation of the unaudited pro forma financial information, which management believes are reasonable, will prove to be accurate.

Also, the unaudited pro forma consolidated condensed financial information does not reflect any cost savings, operating synergies or revenue enhancements that the combined company may achieve as a result of the Acquisition, the costs to integrate the operations of PLG or the costs necessary to achieve these cost savings, operating synergies or revenue enhancements.

There were no material transactions between Wolverine and PLG during the periods presented in the unaudited pro forma consolidated condensed financial statements that would need to be eliminated.

Wolverine World Wide, Inc.
Unaudited pro forma consolidated condensed balance sheet
As of June 16, 2012

(In thousands)	As reported Wolverine	As reported PLG	Pro forma adjustments	Notes	Pro forma combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 156,627	$ 8,904	$ (65,909)	A	$ 99,622
Accounts receivable, net	235,170	165,788	—		400,958
Inventories	243,912	188,960	—	B	432,872
Deferred income taxes	10,452	3,836	—		14,288
Prepaid expenses and other current assets	29,163	21,170	—		50,333
Total current assets	675,324	388,658	(65,909)		1,012,873
Property, plant and equipment, net	75,809	65,003	16,772	C	157,584
Goodwill	39,064	239,603	145,614	D	424,281
Other Intangible Assets	17,558	295,413	627,091	E	940,062
Cash surrender value of life insurance	39,383	—	—		39,383
Deferred income taxes	41,989	152	—		42,141
Other	3,194	14,979	29,700	F	47,873
Total assets	$ 892,321	$1,003,808	$ 753,268		$2,649,397
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 60,797	$ 111,579	$ —		$ 172,376
Accrued salaries and wages	15,333	17,366	—		32,699
Income taxes	4,366	—	—		4,366
Taxes, other than income taxes	7,721	—	—		7,721
Other accrued liabilities	42,108	14,545	(442)	G	56,211
Accrued pension liabilities	2,151	—	—		2,151
Current maturities of long-term debt	—	5,058	(5,058)	H	—
Borrowings under revolving credit agreement	28,000	—	(28,000)	I	—
Total current liabilities	160,476	148,548	(33,500)		275,524
Long-term debt, less current maturities	—	476,741	798,259	J	1,275,000
Deferred compensation	3,856	—	—		3,856
Deferred income taxes		115,048	235,009	K	350,057
Accrued pension liability	89,295	—	—		89,295
Other liabilities	10,083	50,079	—		60,162
Total liabilities	263,710	790,416	999,768		2,053,894
Total stockholders' equity	628,611	213,392	(246,500)	L	595,503
Total liabilities and stockholders' equity	$ 892,321	$1,003,808	$ 753,268		$2,649,397

Wolverine World Wide, Inc.
Unaudited pro forma consolidated condensed statement of operations
52 week period ended June 16, 2012

	As reported		Pro forma adjustments	Notes	Pro forma combined
	Wolverine	PLG			
(In thousands)					
Total net revenue	$1,403,582	$1,061,988	$ —		$2,465,570
Cost of sales	856,484	758,411	—		1,614,895
Gross profit	547,098	303,577	—		850,675
Selling, general and administrative expenses	399,905	249,873			
Costs associated with PLG acquisition		—	(4,919)	M	
New intangible amortization expense		—	18,599	N	
Prior intangible amortization expense		—	(7,885)	O	
Step-up depreciation expense		—	3,713	P	659,286
Operating profit	147,193	53,704	(9,508)		191,389
Interest expense	1,747	19,997	39,198	Q	60,942
Interest income	(328)	(158)	—		(486)
Other expense (income)	1,504	—	—		1,504
Earnings before income taxes	144,270	33,865	(48,706)		129,429
Income taxes	29,332	366	(17,973)	R	11,725
Net earnings	114,938	33,499	(30,733)		117,704
Net loss attributable to non-controlling interests	(184)	—	—		(184)
Net earnings attributable to Wolverine World Wide, Inc.	$ 115,122	$ 33,499	$ (30,733)		$ 117,888

Wolverine World Wide, Inc.
Unaudited pro forma consolidated condensed statement of operations
24 week period ended June 16, 2012

	As reported		Pro forma		Pro forma
	Wolverine	PLG	adjustments	Notes	combined
(In thousands)					
Total net revenue	$ 635,526	$586,569	$ —		$1,222,095
Cost of sales	385,264	410,209	—		795,473
Gross profit	250,262	176,360	—		426,622
Selling, general and administrative expenses	190,451	133,917			
Costs associated with PLG acquisition			(4,919)	**M**	
New intangible amortization expense			9,299	**N**	
Prior intangible amortization expense			(3,519)	**O**	
Step-up depreciation expense			1,856	**P**	327,085
Operating profit	59,811	42,443	(2,717)		99,537
Interest expense	814	9,299	19,712	**Q**	29,825
Interest income	(66)	(114)	—		(180)
Other expense (income)	1,614	—	—		1,614
Earnings before income taxes	57,449	33,258	(22,429)		68,278
Income taxes	5,955	2,908	(8,277)	**R**	586
Net earnings	51,494	30,350	(14,152)		67,692
Net loss attributable to non-controlling interests	(184)	—	—		(184)
Net earnings attributable to Wolverine World Wide, Inc.	$ 51,678	$ 30,350	$ (14,152)		$ 67,876

Wolverine World Wide, Inc.
Unaudited pro forma consolidated condensed statement of operations
Fiscal year ended December 31, 2011

	As reported		Pro forma adjustments	Notes	Pro forma combined
	Wolverine	PLG			
(In thousands)					
Total net revenue	$1,409,068	$1,019,254	$ —		$2,428,322
Cost of sales	852,316	756,736	—		1,609,052
Gross profit	556,752	262,518	—		819,270
Selling, general and administrative expenses	386,534	239,397			
New intangible amortization expense			23,959	N	
Prior intangible amortization expense			(8,771)	O	
Step-up depreciation expense			3,713	P	644,832
Operating profit	170,218	23,121	(18,901)		174,438
Interest expense	1,395	23,073	37,345	Q	61,813
Interest income	(370)	(44)	—		(414)
Other expense (income)	283	—	—		283
Earnings before income taxes	168,910	92	(56,246)		112,756
Income taxes	45,623	(7,403)	(20,753)	R	17,467
Net earnings	123,287	7,495	(35,493)		95,289
Net loss attributable to non-controlling interests	—	—	—		—
Net earnings attributable to Wolverine World Wide, Inc.	$ 123,287	$ 7,495	$ (35,493)		$ 95,289

Wolverine World Wide, Inc.
Unaudited pro forma consolidated condensed statement of operations
24 week period ended June 18, 2011

	As reported		Pro forma		Pro forma
	Wolverine	PLG	adjustments	Notes	combined
(In thousands)					
Total net revenue	$ 641,012	$543,836	—		$1,184,848
Cost of sales	381,096	408,535	—		789,631
Gross profit	259,916	135,301	—		395,217
Selling, general and administrative expenses	177,080	123,441		N	
New intangible amortization expense			14,659		
Prior intangible amortization expense			(4,405)	O	
Step-up depreciation expense			1,856	P	312,631
Operating profit	82,836	11,860	(12,110)		82,586
Interest expense	462	12,375	17,859	Q	30,696
Interest income	(108)	—	—		(108)
Other expense (income)	393	—	—		393
Earnings before income taxes	82,089	(515)	(29,969)		51,605
Income taxes	22,246	(4,861)	(11,057)	R	6,328
Net earnings	59,843	4,346	(18,912)		45,277
Net loss attributable to non-controlling interests	—	—	—		—
Net earnings attributable to Wolverine World Wide, Inc.	$ 59,843	$ 4,346	$ (18,912)		$ 45,277

Notes to the unaudited pro forma consolidated condensed financial statements

1. Basis of presentation

The accompanying unaudited pro forma consolidated condensed financial statements are based on the historical financial information of Wolverine and PLG after giving effect to the Acquisition of PLG by Wolverine using the purchase method of accounting and applying the assumptions and adjustments described in the accompanying notes.

Upon consummation of the Acquisition, Wolverine will review PLG's accounting policies. As a result of that review, it may become necessary to harmonize the combined company's financial statements to conform to those accounting policies that are determined to be more appropriate for the combined company. The unaudited pro forma consolidated condensed financial statements do not assume any differences in accounting policies.

The unaudited pro forma consolidated condensed balance sheet combines the historical results for Wolverine and PLG as of June 16, 2012 and includes pro forma adjustments as if the Acquisition closed on June 16, 2012. The unaudited pro forma consolidated condensed statements of operations combine the historical results for Wolverine and PLG for the 24 week period ended June 16, 2012 and for the 52 week period ended December 31, 2011 and include pro forma adjustments as if the Acquisition closed on January 2, 2011, which is the first day of Wolverine's fiscal year ended December 31, 2011. The unaudited pro forma consolidated condensed statement of operations for the 52 week period ended June 16, 2012 has been derived by taking the unaudited pro forma consolidated condensed statement of operations for the 24 week period ended June 16, 2012, adding the unaudited pro forma consolidated condensed statement of operations for the 52 week period ended December 31, 2011 and subtracting the unaudited pro forma consolidated condensed statement of operations for the 24 week period ended June 18, 2011. See "The Transactions" for information about the terms of the Acquisition Agreement and related transactions. All amounts are approximate due to rounding and all amounts in tables are in millions.

2. Pro forma financial statement adjustments

Balance sheet adjustments

(A) To reflect the following adjustments to cash and cash equivalents:

(In millions)	
Cash consideration for the Acquisition	$ (903.4)
Repayment of PLG's debt[1]	(326.9)
Repayment of Wolverine's revolver balance	(28.0)
Transaction and other costs[2]	(32.2)
Estimated remaining Wolverine advisory and professional fees directly related to the Acquisition [3]	(11.5)
Net cash received from the borrowings under the senior secured credit facilities and senior notes offered hereby, net of $39.0 of financing related fees[4]	1,236.0
Total Pro Forma Adjustment	**$ (66.0)**

1 The repayment of PLG's debt as reflected in this schedule is based upon the terms of the Acquisition Agreement. The repayment of debt, as discussed in Notes H & J, represents the removal of debt allocated to PLG in the financial statements of PLG.

2 There were no transaction costs incurred by PLG. Accordingly, these costs were not reflected as a pro forma adjustment. All transaction costs incurred by the seller were paid by CBI and allocated to buyers in accordance with the Acquisition Agreement.

3 Reflects our estimate of remaining financing costs and advisory and professional service fees directly related to the Acquisition.

4 Reflects our estimate of fees, expenses and discounts associated with the financing of the Acquisition, including fees paid in connection with our unused financing commitments. Included in the total estimated amount are $32.1 million of capitalized debt issuance costs recorded in other assets, net (see Note F below) and $6.8 million related to unused financing commitments that we will expense (see Note L below).

(B) A step-up adjustment to inventory carrying value has not been made as we do not expect the amount to be material.

(C) To reflect the adjustment of historical PLG property, plant and equipment to estimated fair value.

(D) To reflect the following adjustments to goodwill:

(In millions)	
Excess of the purchase price over the fair value of net assets acquired from PLG	$ 385.2
Elimination of PLG's historical goodwill balance	(239.6)
Total Pro Forma Adjustment	**$ 145.6**

(E) To reflect the following adjustments to estimated fair value of intangible assets separately identifiable from goodwill as of the acquisition date.

(Dollars in millions)	**Estimated Fair Value of Intangible Assets**	**Estimated Useful Live (Years)**
Other intangible assets acquired:		
Tradenames and trademarks	$ 750.4	Indefinite
Customer relationships	107.2	20
Customer lists	5.4	5
Customer backlog	5.4	0.5
Technology	26.8	4
License agreements	26.8	5
Favorable leases	0.5	5
Total other intangible assets acquired	922.5	
Elimination of PLG's historical intangible assets balance	(295.4)	
Total Pro Forma Adjustment	**$ 627.1**	

(F) To reflect the following adjustments to other assets:

(In millions)	
Capitalized debt issuance costs related to the borrowings under the Term Loan Facilities and the issuance of the senior notes offered hereby	$ 32.1
Elimination of PLG's debt issuance costs	(2.4)
Total Pro Forma Adjustment	**$29.7**

(G) To reflect the elimination of accrued interest on PLG's debt.

(H) To reflect the repayment of PLG's current portion of long-term debt.

(I) To reflect the repayment of Wolverine's revolving line of credit using the proceeds of the new credit facilities.

(J) To reflect the following adjustments to long-term debt:

(In millions)	
Borrowings under the new financing:	
Term Loan Facilities:	
Term A Facility due 2017	$ 550.0
Term B Facility due 2019	350.0
Senior notes offered hereby	375.0
Repayment of PLG's long-term debt	(476.7)
Total Pro Forma Adjustment	**$ 798.3**

(K) To reflect the adjustment to deferred income taxes related to the step-up in fair value of acquired tangible and intangible assets using the prevailing incremental statutory income tax rates for Wolverine.

(L) To reflect the following adjustments to stockholders' equity:

(In millions)	
Elimination of PLG's historical stockholders' equity	$ (213.4)
Estimated remaining Wolverine advisory and professional fees directly related to the Acquisition	(11.5)
Estimated transaction costs incurred by CBI to be reimbursed by Wolverine	(14.8)
Estimated fees related to unused financing commitments that will be expensed	(6.8)
Total Pro Forma Adjustment	**$ (246.5)**

Statements of operations adjustments

The unaudited pro forma consolidated condensed statements of operations include preliminary adjustments that are expected to have a continuing impact on the combined company's consolidated financial results and do not reflect any one-time charges that we may record on or following the closing of the acquisition.

(M) To reflect the elimination of $4.9 million of acquisition related expenses incurred by Wolverine in the second quarter of 2012. As mentioned above, there were no selling expenses incurred by PLG as these costs were paid by CBI.

(N) To reflect amortization expense related to the estimated fair value of acquired identifiable intangible assets, which are being amortized over their estimated useful lives (see Note E).

(O) To reflect elimination of historical intangible amortization expense.

(P) To reflect the additional depreciation as a result of the adjustment of the historical cost of PLG's property, plant and equipment to their estimated fair values. This adjustment will be depreciated over the corresponding assets' remaining useful lives.

(Q) To reflect the following adjustments to interest expense:

	52 Weeks Ended June 16, 2012	24 Weeks Ended June 16, 2012	Year Ended December 31, 2011	24 Weeks Ended June 18, 2011
(In millions)				
Total interest expense on new financing[1]	$ 55.4	$ 27.2	$ 56.5	$ 28.2
Amortization of debt issuance costs on new financing	5.4	2.5	5.4	2.5
Elimination of Wolverine's interest expense related to revolver borrowings	(1.6)	(0.7)	(1.4)	(0.5)
Elimination of interest expense on PLG debt repaid, including accrued interest and amortization of debt issuance costs	(20.0)	(9.3)	(23.1)	(12.4)
Total Pro Forma Adjustment	**$ 39.2**	**$ 19.7**	**$ 37.3**	**$ 17.9**

1 Reflects adjustments to interest expense related to borrowings under the New Credit Facility and the notes offered hereby. An upward or downward movement of 0.125% in the estimated interest rate on the notes offered hereby would have the effect of changing interest expense by $1.1 million, $0.6 million, $1.1 million and $0.6 million, respectively.

(R) To reflect the cumulative tax impact of all the pro forma adjustments on the statements of operations using the prevailing statutory income tax rates for Wolverine and PLG.

Capitalized terms used herein that are not defined have meanings set forth in Exhibit 99.1 to Wolverine World Wide, Inc.'s Current Report on Form 8-K filed on September 24, 2012.

Management's discussion and analysis of financial condition and results of operations

The Transactions

On May 1, 2012, we entered into several agreements, including the Merger Agreement and Purchase Agreement, relating to our pending Acquisition of the PLG Business. In connection with the Acquisition, we also entered into the New Credit Agreement on July 31, 2012 that provides us with the New Credit Facility (a $1.1 billion senior secured credit facility). See "The Transactions" for more details regarding the Acquisition and the related transactions.

The Acquisition will be accounted for as a purchase in accordance with FASB ASC Topic 805. Under purchase accounting principles, we will record as goodwill the excess of purchase price paid over the fair value of assets and liabilities acquired. Tangible and intangible assets acquired in the Acquisition will be recorded at fair value once the valuation of these assets is complete. Financial statements issued after the completion of the Acquisition will reflect such fair values, which may differ from the amounts allocated to such tangible and intangible assets in the historical financial statements of the PLG Business, and a new basis in accounting. Changes in amounts allocated to tangible and intangible assets may result in changes to the depreciation or amortization of such assets in future periods, and an increase in the amounts allocated to tangible and intangible assets will result in increased depreciation and amortization charges to consolidated income over the useful lives of those assets on a straight line basis.

As of the date of this offering memorandum, certain valuations and other studies have yet to either commence or progress to a stage where there is sufficient information for a definitive measurement of the fair values for certain tangible and intangible assets acquired and liabilities assumed. The primary areas for which the purchase price allocation is not yet completed relate to the fair value of certain tangible assets acquired and liabilities assumed, the valuation of intangible assets acquired, and goodwill. Any increase to the purchase price allocated to property, plant and equipment, net and identifiable intangible assets will result in additional depreciation and amortization expense after the consummation of the Acquisition. In addition, write-ups to acquired inventories may result in increased costs of sales, which in turn would reduce gross profit in the first full quarter following the consummation of the Acquisition.

Following the Acquisition, we will have a fourth operating group consisting of the PLG brands.

We will incur increased interest expense related to amounts borrowed under the Term Loan A Facility and the Term Loan B Facility and the notes offered hereby.

We have begun the integration planning process and expect the Acquisition, which is still subject to the satisfaction of customary closing conditions, to be completed in the fourth quarter of 2012. We expect to incur significant one-time transaction costs related to the Acquisition.

Results of operations of the PLG business

PLG business overview

PLG is a leading provider of iconic performance and lifestyle brands, each with unique characteristics and strong marketplace positions focused on distinct and targeted consumer segments. PLG is predominantly a wholesaler of footwear, selling its products mostly in North America in a wide variety of retail formats, including premier department stores, specialty stores, and athletic and sporting goods stores. PLG markets products in countries outside North America through owned operations, independent distributors and licensees. PLG designs and markets categories of footwear and related accessories under various brands and trademarks, including:

Brand and/or trademark	Product categories
Sperry Top-Sider® and *Sperry®*	Nautical performance, outdoor recreational, dress-casual, and casual footwear for adults and children; and, apparel and accessories
Saucony® and *Saucony Originals®*	Technical running, minimalist, athletic lifestyle, outdoor trail, and fashion athletic shoes for adults and children; and, athletic apparel and accessories
Keds®, *Pro-Keds®* and *Grasshoppers®*	Fashion-athletic and casual footwear and accessories for adults and children
Stride Rite®, *Robeez®* and other trademarks	Children's dress, athletic, and casual footwear, boots and sandals

PLG also markets its products directly to consumers through a variety of owned formats: *Stride Rite®* children's stores, *Stride Rite®* outlet stores, *Stride Rite®* store-in-stores, *Sperry Top-Sider®* stores, *Saucony®* stores and e-commerce sites. As of July 28, 2012, PLG operated 337 owned stores.

PLG results of operations—first two quarters 2012 compared to first two quarters 2011

	26 weeks ended July 28, 2012	26 weeks ended July 30, 2011	Percent change 2012 vs. 2011
(Dollars in millions)			
Net sales	**$ 586.6**	$ 543.8	7.9%
Operating profit	**$ 42.4**	$ 11.9	272.6%
Operating profit as a % of net sales	**7.2%**	2.2%	

For the first two quarters of fiscal year 2012, net sales for PLG increased 7.9%, or $42.8 million, to $586.6 million. The increase in net sales was driven by global gains in *Sperry Top-Sider®* and the *Stride Rite®* Children's Group, partially offset by a decrease in *Saucony®*. *Sperry Top-Sider®*'s strong double digit growth was broad-based across gender, product, channels and geography. *Stride Rite®* Children's Group grew at a mid single digit rate with double digit growth in North American wholesale and mid single digit growth in retail, despite operating 47 fewer stores at the end of the second quarter 2012 compared to the second quarter end 2011, partially offset by a double digit decrease internationally. *Saucony®*'s sales decreased at a mid single digit rate, with declines in the sporting goods channel only partially offset by growth in the run specialty channel. *Keds®* sales decreased less than one percent, as a low single digit decrease in North American wholesale was mostly offset by gains in international and e-commerce.

In the first two quarters of fiscal year 2012, wholesale net sales increased 7.2% while retail net sales increased 10.4% compared to the first two quarters of fiscal year 2011. At the end of the second quarter 2012, PLG operated 337 retail stores compared to 384 at the end of same period in 2011. As a percentage of net sales, operating profit increased to 7.2% for the first two quarters of fiscal year 2012 compared to 2.2% in the first two quarters of fiscal year 2011. The percentage increase was primarily due to a trademark impairment charge of $23.5 million recorded in the first two quarters of fiscal year 2011 and the leveraging of fixed costs due to higher net sales in the first two quarters of fiscal year 2012.

PLG results of operations—fiscal year 2011 compared to fiscal years 2010 and 2009

				Percent change	
	2011	**2010**	**2009**	**2011 vs. 2010**	**2010 vs. 2009**
(dollars in millions)					
Net sales	**$1,019.3**	$856.1	$732.3	19.1%	16.9%
Operating profit	**$ 23.1**	$ 42.8	$ 15.7	(46.0)%	172.6%
Operating profit as % of net sales	**2.3%**	5.0%	2.1%		

For fiscal year 2011, net sales increased 19.1%, or $163.2 million, to $1,019.3 million. The increase in net sales was due to global gains in all brands. *Sperry Top-Sider*® experienced strong double digit growth with broad gains across gender and product categories, geographies and channels. *Saucony*® grew at a high single digit rate with moderate North American wholesale growth enhanced by double digit growth internationally. *Stride Rite*® grew at a mid single digit rate with double digit growth in wholesale and slightly positive growth in retail. *Keds*® experienced low single digit growth. In fiscal year 2011, wholesale net sales increased 23.9% while retail net sales increased 5.7%. At the end of fiscal year 2011, PLG operated 336 retail stores compared to 383 at the end of fiscal year 2010.

For fiscal year 2010, net sales increased 16.9%, or $123.8 million, to $856.1 million. The increase in net sales was due to global gains in all brands. *Sperry Top-Sider*®'s strong double digit growth was driven by significant gains across all wholesale categories and the launch of *Sperry Top-Sider*® retail stores in fiscal year 2010. *Saucony*® also experienced strong double digit growth with broad gains across geographies and channels. Double digit growth in *Keds*® was driven by high single digit growth in the domestic wholesale channel and by high double digit growth internationally. *Stride Rite*® grew less than 1%, with strength internationally and in direct-to-consumer channels partially offset by a decline in domestic wholesale. In fiscal year 2010, wholesale net sales increased 22.3% while retail net sales increased 4.3%. At the end of fiscal year 2010, PLG operated 383 retail stores compared to 363 at the end of fiscal year 2009.

As a percentage of net sales, operating profit decreased to 2.3% for fiscal year 2011 compared to 5.0% in fiscal year 2010. The percentage decrease was primarily due to a trademark impairment charge of $23.5 million, asset impairment charges of $4.1 million, and higher product costs in fiscal year 2011, only partially offset by the leveraging of fixed costs due to higher net sales.

As a percentage of net sales, operating profit increased to 5.0% for fiscal year 2010 compared to 2.1% in fiscal year 2009. The percentage increase was primarily due to the leveraging of fixed costs due to higher net sales in fiscal year 2010.

Pro forma liquidity and capital resources

After the consummation of the Transactions, we will be highly leveraged. In addition, our liquidity requirements will be significant, primarily due to our debt service and other obligations. As of June 16, 2012, on a pro forma basis after giving effect to the Transactions, our total debt would have been approximately $1,275.0 million, and we would have had unused commitments of $197.5 million under our New Credit Facility (after giving effect to $2.5 million of outstanding letters of credit). On a pro forma basis after giving effect to the Transactions, our interest expense for the 24 weeks ended June 16, 2012 would have been approximately $29.5 million.

After the consummation of the Transactions, our principal sources of liquidity will be our cash flows from operations and cash amounts available under the New Revolving Credit Facility.

We believe that the capital resources available to us under the New Revolving Credit Facility and cash from our operations will be adequate to fund our normal, working capital needs and our capital expenditure requirements for at least the next twelve months.

Our liquidity and ability to fund our capital requirements, however, are dependent on our future financial performance, which is subject to general economic, financial and other factors that are beyond our control. If those factors significantly change or other unexpected factors adversely affect us, our business may not generate sufficient cash flows from operations or we may not be able to obtain future financings on terms acceptable to us or at all to meet our liquidity needs. We anticipate that to the extent additional liquidity is necessary to fund our operations, it would be funded through borrowings under our New Revolving Credit Facility, the incurrence of other indebtedness, additional equity issuances or a combination of these potential sources of liquidity. We may not be able to obtain additional liquidity when needed on terms acceptable to us or at all.

Subject to certain limitations in our debt agreements, as market conditions warrant, we may from time to time repurchase debt securities issued by us in privately negotiated or open market transactions, by tender offer or otherwise.

New Credit Facility

In connection with the Acquisition, we entered into the New Credit Agreement providing for:

- the Term Loan A Facility of up to $550.0 million with a five-year maturity;
- the Term Loan B Facility of up to $350.0 million with a seven-year maturity; and
- the New Revolving Credit Facility of up to $200.0 million with a five-year maturity of which $197.5 million is expected to be available following the closing of the Transactions.

The New Revolving Credit Facility includes borrowing capacity available for letters of credit and for short-term borrowings referred to as swing-line borrowings. The New Credit Facility also provides us with the option to increase the aggregate principal amount of all such facilities by up to an additional amount such that the total amount of all such facilities does not exceed $1.3 billion.

Under our New Credit Facility we will be required to maintain a maximum Consolidated Leverage Ratio, a maximum Consolidated Secured Leverage Ratio and a minimum Consolidated Interest Coverage Ratio (all as defined in the New Credit Agreement), and to comply with other specified affirmative and negative covenants as set forth in the New Credit Agreement. Our ability to meet the financial ratios and comply with our covenants can be affected by events beyond our control. A breach of any covenant contained in the New Credit Facility could result in a default under those agreements.

For more information on the New Credit Facility, see "Description of other indebtedness" in this offering memorandum.

Notes offered hereby

The indenture governing the notes offered hereby will, among other things, limit our (and our restricted subsidiaries') ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions in respect of, or repurchase or redeem, our capital stock;
- prepay, redeem or repurchase certain debt;
- issue certain preferred stock or similar equity securities;
- make loans and investments;
- sell or otherwise dispose of assets;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

Subject to certain exceptions, the indenture governing the notes will permit us and our restricted subsidiaries to incur additional indebtedness, including secured indebtedness. For more information on the notes, see "Description of notes" in this offering memorandum.

Contractual obligations

Assuming the Transactions had occurred on December 31, 2011, we would have had the following payments under contractual obligations due by period as of December 31, 2011:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
(Thousands of dollars)					
Operating leases	$ 283,771	$ 46,744	$ 81,203	$ 63,608	$ 92,216
Debt obligations	1,275,000	31,000	103,250	433,250	707,500
Interest expense	338,655	52,136	101,777	94,487	90,255
Purchase obligations(1)	301,147	301,147	—	—	—
Restructuring related obligations	330	330	—	—	—
Deferred compensation	4,959	1,412	1,138	853	1,556
Pension(2)	29,257	29,257	—	—	—
SERP	32,749	2,091	5,792	7,094	17,772
Dividends declared	5,699	5,699	—	—	—
Minimum royalties	5,949	1,332	3,117	1,500	—
Minimum advertising	18,905	2,488	5,484	5,696	5,237
Total(3)	$2,296,421	$473,636	$301,761	$606,488	$ 914,536

(1) Purchase obligations primarily relate to inventory and capital expenditure commitments.

(2) Pension obligations reflect expected pension funding as there are currently no required funding obligations under government regulation. Funding amounts are calculated on an annual basis and no required or planned funding beyond one year has been determined.

(3) Wolverine adopted FASB ASC Topic 740, *Income Taxes,* on December 31, 2006. The total amount of unrecognized tax benefits on the consolidated balance sheet at December 31, 2011 is $13.1 million. At this time, we are unable to make a reasonably reliable estimate of the timing of payments in individual years beyond 12 months due to uncertainties in the timing of tax audit outcomes. As a result, this amount is not included in the table above.

Assuming the Transactions had occurred on December 31, 2011, we would have had $198.2 million of additional borrowing capacity available under the New Credit Facility after giving effect to $1.8 million of outstanding letters of credit.

Exhibit 99.6

Index to financial statements

Collective Brands Performance + Lifestyle Group (a component of Collective Brands, Inc.)

Audited Combined Financial Statements for the Fiscal Years Ended January 28, 2012, January 29, 2011 and January 30, 2010

Unaudited Condensed Combined Financial Statements for the 26 Weeks Ended July 28, 2012 and July 30, 2011

Report of independent auditors

To the Board of Directors
Collective Brands, Inc.
Topeka, Kansas

We have audited the accompanying Combined Balance Sheets of Collective Brands Performance + Lifestyle Group (the "Company") (the combination of wholly owned subsidiaries and operations of Collective Brands, Inc.) as of January 28, 2012, January 29, 2011 and January 30, 2010, and the related Combined Statements of Earnings (Loss), Comprehensive (Loss) Income, Parent Company Equity, and Cash Flows for the years then ended. These Combined Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Combined Financial Statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Combined Financial Statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the Combined Financial Statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such Combined Financial Statements present fairly, in all material respects, the financial position of the Company as of January 28, 2012, January 29, 2011 and January 30, 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 1 and 12, the Combined Financial Statements include allocations of expenses and debt from Collective Brands, Inc. These allocations may not be reflective of the actual level of costs or debt which would have been incurred had the Company operated as a separate entity apart from Collective Brands, Inc.

/s/ Deloitte & Touche LLP
Kansas City, Missouri
September 7, 2012

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Combined statements of earnings (loss)

(Dollars in millions)

	52 Weeks ended		
	January 28, 2012	January 29, 2011	January 30, 2010
Net sales	$ 1,019.3	$ 856.1	$ 732.3
Cost of sales	756.8	589.1	496.7
Gross margin	262.5	267.0	235.6
Selling, general and administrative expenses	239.4	224.2	219.9
Operating profit	23.1	42.8	15.7
Interest expense	23.0	31.7	41.1
Loss on early extinguishment of debt	—	1.7	0.2
Net earnings (loss) before income taxes	0.1	9.4	(25.6)
Benefit for income taxes	(7.4)	(2.4)	(6.5)
Net earnings (loss)	$ 7.5	$ 11.8	$ (19.1)

See Notes to Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Combined statements of comprehensive (loss) income

(Dollars in millions)

	52 Weeks ended		
	January 28, 2012	**January 29, 2011**	**January 30, 2010**
Comprehensive (loss) income:			
Net earnings (loss)	$ 7.5	$ 11.8	$ (19.1)
Other comprehensive income:			
Translation adjustments	(0.8)	(1.3)	(1.9)
Change in fair value of derivatives	6.4	7.9	6.1
Income tax impact of change in fair value of derivatives	—	(3.1)	(2.4)
Change in unrecognized pension benefits	(15.8)	(0.3)	5.7
Income tax impact of change in unrecognized pension benefits	—	0.1	(2.3)
Other comprehensive income, net	(10.2)	3.3	5.2
Comprehensive (loss) income	$ (2.7)	$ 15.1	$ (13.9)

See Notes to Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Combined balance sheets

(Dollars in millions)

	January 28, 2012	January 29, 2011	January 30, 2010
ASSETS (Pledged for parent company debt-See Note 3)			
Current Assets:			
Cash and cash equivalents	$ 7.5	$ 10.4	$ 8.7
Accounts receivable, net of allowance for doubtful accounts and returns reserve as of January 28, 2012, January 29, 2011 and January 30, 2010 of $5.6, $6.0 and $5.5, respectively	125.9	101.2	86.7
Inventories	206.5	183.1	131.9
Deferred income taxes	3.5	2.5	1.8
Prepaid expenses	8.5	7.0	7.1
Other current assets	9.8	10.4	9.4
Total current assets	361.7	314.6	245.6
Property and equipment, net	64.3	57.8	57.3
Intangible assets, net	299.0	331.2	343.5
Goodwill	239.6	239.6	239.6
Deferred income taxes	0.1	0.2	0.2
Other assets	17.6	18.1	21.1
Total Assets (Pledged for parent company debt-See Note 3)	$ 982.3	$ 961.5	$ 907.3
LIABILITIES AND EQUITY			
Current Liabilities:			
Current maturities of long-term debt	$ 5.1	$ 5.1	$ 6.9
Accounts payable	92.0	86.9	60.2
Accrued expenses	29.2	41.3	38.8
Total current liabilities	126.3	133.3	105.9
Long-term debt	479.3	484.3	666.5
Deferred income taxes	114.9	123.5	124.0
Other liabilities	51.4	35.7	39.6
Total Liabilities	771.9	776.8	936.0
Commitments and contingencies (Note 14)			
Parent Company Equity (Deficit):			
Parent company investment	240.3	204.4	(5.7)
Accumulated other comprehensive loss, net of income taxes	(29.9)	(19.7)	(23.0)
Total Parent Company Equity (Deficit)	210.4	184.7	(28.7)
Total Liabilities and Parent Company Equity (Deficit)	$ 982.3	$ 961.5	$ 907.3

See Notes to Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Combined statements of parent company equity

(Dollars in millions)

	Parent company investment	Accumulated other comprehensive loss	Total parent company equity (deficit)
Balance at January 31, 2009	$ (20.7)	$ (28.2)	$ (48.9)
Net loss	(19.1)	—	(19.1)
Net transfers from parent	34.1	—	34.1
Translation adjustments	—	(1.9)	(1.9)
Net change in fair value of derivatives, net of taxes of $2.4 (Note 4)	—	3.7	3.7
Changes in unrecognized amounts of pension benefits, net of taxes of $2.3 (Note 6)	—	3.4	3.4
Balance at January 30, 2010	$ (5.7)	$ (23.0)	$ (28.7)
Net earnings	11.8	—	11.8
Net transfers from parent	198.3	—	198.3
Translation adjustments	—	(1.3)	(1.3)
Net change in fair value of derivatives, net of taxes of $3.1 (Note 4)	—	4.8	4.8
Changes in unrecognized amounts of pension benefits, net of taxes of $(0.1) (Note 6)	—	(0.2)	(0.2)
Balance at January 29, 2011	$ 204.4	$ (19.7)	$ 184.7
Net earnings	7.5	—	7.5
Net transfers from parent	28.4	—	28.4
Translation adjustments	—	(0.8)	(0.8)
Net change in fair value of derivatives, net of taxes of $0.0 (Note 4)	—	6.4	6.4
Changes in unrecognized amounts of pension benefits, net of taxes of $0.0 (Note 6)	—	(15.8)	(15.8)
Balance at January 28, 2012	$ 240.3	$ (29.9)	$ 210.4

See Notes to Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Combined statements of cash flows

(Dollars in millions)

	52 Weeks ended		
	January 28, 2012	January 29, 2011	January 30, 2010
Operating Activities:			
Net earnings (loss)	$ 7.5	$ 11.8	$ (19.1)
Adjustments for non-cash items included in net earnings (loss):			
Loss on impairment and disposal of assets	4.6	2.5	1.8
Impairment of indefinite-lived tradenames	23.5	—	—
Depreciation and amortization	22.5	25.6	29.2
Provision for losses on accounts receivable	1.7	1.8	2.2
Share-based compensation expense	3.3	4.7	4.2
Deferred income taxes	(9.5)	(4.2)	(5.3)
Loss on early extinguishment of debt	—	1.7	0.2
Changes in working capital:			
Accounts receivable	(27.3)	(16.1)	2.4
Inventories	(22.0)	(50.7)	15.9
Prepaid expenses and other current assets	(1.9)	(0.8)	(1.3)
Accounts payable	6.6	26.2	19.1
Accrued expenses	(6.3)	5.8	(5.9)
Changes in other assets and liabilities, net	1.6	1.1	(2.8)
Contributions to pension plans	(0.4)	(1.6)	(9.5)
Cash flow provided by operating activities	3.9	7.8	31.1
Investing Activities:			
Capital expenditures	(22.9)	(14.6)	(12.0)
Intangible asset additions	(0.8)	—	—
Cash flow used in investing activities	(23.7)	(14.6)	(12.0)
Financing Activities:			
Repayment of debt	(5.0)	(184.0)	(42.6)
Net transfers from Parent	25.1	193.6	29.9
Cash flow provided by (used in) financing activities	20.1	9.6	(12.7)
Effect of exchange rate changes on cash	(3.2)	(1.1)	(3.9)
(Decrease) increase in cash and cash equivalents	(2.9)	1.7	2.5
Cash and cash equivalents, beginning of year	10.4	8.7	6.2
Cash and cash equivalents, end of year	$ 7.5	$ 10.4	$ 8.7
Supplemental cash flow information:			
Interest paid (by the Parent)	$ 23.8	$ 31.8	$ 41.3
Income taxes paid (by the Parent)	$ 2.2	$ 2.0	$ 0.9
Non-cash investing and financing activities:			
Accrued capital additions	$ 1.4	$ 1.2	$ 0.1

See Notes to Combined Financial Statements

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Notes to combined financial statements

Note 1—Summary of significant accounting policies

Description of business and basis of presentation

Collective Brands Performance + Lifestyle Group ("PLG" or the "Company") is a combination of wholly owned subsidiaries and operations within Collective Brands, Inc. ("CBI" or the "Parent"). PLG markets the leading brand of high-quality children's shoes in the United States under the Stride Rite brand. PLG also markets products for children and adults under well-known brand names, including Sperry Top-Sider, Saucony, and Keds.

On May 1, 2012, CBI entered into a definitive agreement with a consortium of companies comprised of Wolverine World Wide, Inc., Blum Strategic Partners IV, L.P. and Golden Gate Capital Opportunity Fund, L.P., under which CBI will be sold for $21.75 per share in cash. At the close of this transaction, which was approved by shareholders on August 21, 2012, and which is expected to occur late in the third or early in the fourth calendar quarter of 2012, Wolverine World Wide, Inc. will acquire the Company.

These Combined Financial Statements reflect the historical Combined Statements of Earnings (Loss), Combined Statements of Comprehensive (Loss) Income, Combined Balance Sheets, Combined Statements of Parent Company Equity, Combined Statements of Cash Flows of PLG for the periods presented. The historical Combined Financial Statements reflect the amounts that have been "carved-out" from CBI's consolidated financial statements prepared in accordance with accounting principles generally accepted in the U.S. and reflect assumptions and allocations made by CBI to depict PLG on a stand-alone basis. As a result, the Combined Financial Statements included herein may not necessarily be indicative of PLG's financial position, results of operations, or cash flows had it operated as a stand-alone entity during the periods presented.

The Combined Financial Statements were prepared using CBI's historical records of the assets and liabilities of PLG, and the historical Combined Financial Statements include all net sales, costs, assets, and liabilities directly attributable to PLG. The Combined Financial Statements also reflect the push-down of certain of CBI's long-term debt (see Note 3) and associated capitalized debt issuance costs and interest expense. In addition, certain expenses reflected in the Combined Financial Statements include allocations of corporate expenses from CBI, which in the opinion of management are reasonable (see Note 12). All such costs and expenses have been deemed to have been paid by PLG to CBI in the period in which the costs were incurred and are reflected in Parent Company Investment as shown in the Combined Statements of Parent Company Equity.

Fiscal year

The Company's fiscal year ends on the Saturday closest to January 31. Fiscal years 2011, 2010 and 2009 ended on January 28, 2012, January 29, 2011, and January 30, 2010, respectively. All years presented contain 52 weeks of results. References to years in these financial statements and notes relate to fiscal years rather than calendar years.

Use of estimates

Management makes estimates and assumptions that affect the amounts reported within the Combined Financial Statements. Actual results could differ from these estimates.

Net sales

Net sales ("sales") for transactions at the Company's retail stores are recognized at the time the sale is made to the customer. Sales for wholesale and e-commerce transactions are recognized when title passes and the risks or rewards of ownership have transferred to the customer based on the shipping terms, the price is fixed and determinable, and collectibility is reasonably assured. All sales are net of estimated returns, promotional discounts and exclude sales tax.

The Company has established an allowance for merchandise returns and markdowns based on historical experience, product sell-through performance by product and customer, current and historical trends in the footwear industry and changes in demand for its products. The returns allowance is recorded as a reduction to revenues for the estimated sales value of the projected merchandise returns and as a reduction in cost of sales for the corresponding cost amount. Allowances for markdowns are recorded as a reduction of revenue based on historical experience. From time to time actual results will vary from the estimates that were previously established.

Shipping and handling

Products are sold Free On Board ("FOB") shipping point for wholesale customers. Any shipping charges that the Company pays are recorded as cost of sales and any reimbursement is recorded as revenue.

Gift cards

The Company records a liability in the period in which a gift card is issued and proceeds are received. As gift cards are redeemed, this liability is reduced and revenue is recognized as a sale. The estimated value of gift cards expected to go unused is recognized ratably in proportion to actual redemptions as gift cards are redeemed.

Cost of sales

Cost of sales includes the cost of merchandise sold and the Company's buying, occupancy, warehousing, product development, and product movement costs, as well as depreciation of stores and the distribution centers, net litigation charges related to intellectual property, store impairment charges, and trademark impairments.

Rent expense

Certain of the Company's lease agreements provide for scheduled rent increases during the lease term, as well as provisions for renewal options. Rent expense is recognized on a straight-line basis over the term of the lease from the time at which the Company takes possession of the property. In instances where failure to exercise renewal options would result in an economic penalty, the calculation of straight-line rent expense includes renewal option periods. Also, landlord-provided tenant improvement allowances are recorded in other liabilities and amortized as a credit to rent expense over the term of the lease. Substantially all rental expense is recorded in cost of sales on the Combined Statements of Earnings (Loss).

Pre-opening expenses

Costs associated with the opening of new stores, other than capital expenditures with economic benefits lasting more than one year, which are capitalized, are expensed as incurred and are recorded in cost of sales.

Advertising costs

Advertising costs and sales promotion costs are expensed at the time the advertising takes place. Selling, general, and administrative expenses include advertising and sales promotion costs of $57.0 million, $49.5 million, and $47.0 million in 2011, 2010, and 2009, respectively.

Co-operative advertising

The Company engages in co-op advertising programs with some of its wholesale customers. Co-op advertising funds are available to all wholesale customers in good standing. Wholesale customers receive reimbursement under this program if they meet established advertising guidelines and trademark requirements. Costs are accrued on the basis of sales to qualifying customers and accounted for as an operating expense if the Company receives, or will receive, an identifiable benefit in exchange for the consideration and the Company can reasonably estimate the fair value of the benefit identified; otherwise such costs are recorded as a reduction to revenues.

Share-based compensation expense

CBI maintains certain share-based compensation plans for the benefit of certain of its officers, directors, and employees, including the employees of PLG. Compensation expense associated with share-based awards is recognized over the requisite service period, which is the period between the grant date and the award's stated vesting date. Share-based awards are expensed under the straight-line attribution method, with the exception of performance-based awards that are expensed under the tranche specific attribution method. Share-based compensation expense is recognized over the vesting period based on shares that vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. This analysis is evaluated quarterly and the forfeiture rate is adjusted as necessary.

Income taxes

The income taxes have been prepared on a separate return basis as if the Company was a stand-alone entity. Historically, the Company was included in tax filings with other CBI entities. The results from being included in the combined tax returns are included in Parent Company Investment. CBI's global tax structure and model has been developed based on its entire portfolio of businesses. Accordingly, the Company's tax results as presented are not reflective of the results that the Company will generate in the future or would have available for future use in another consolidated group.

The Company's operations have historically been included in CBI's consolidated U.S. Federal and state tax returns or non-U.S. jurisdiction's tax returns. With the exception of certain dedicated foreign entities, the Company does not maintain taxes payable to/from Parent and is deemed to settle the annual current tax balances immediately with the legal tax-paying entities in respective jurisdictions. These settlements are reflected as net transfer to/from Parent Company Investment. The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company's estimate of uncertainty in income taxes is based on the framework established in the accounting for income taxes guidance. This guidance addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company includes its reserve for unrecognized tax benefits, as well as related accrued penalties and interest, in other long term liabilities on its Combined Balance Sheets and in the provision for income taxes in its Combined Statements of Earnings (Loss).

The Company records valuation allowances against its deferred tax assets, when necessary, in accordance with the framework established in the income taxes accounting guidance. Realization of deferred tax assets (such as net operating loss carryforwards) is dependent on future taxable earnings and is therefore uncertain. The Company assesses the likelihood that its deferred tax assets in each of the jurisdictions in which it operates will be recovered from future taxable income. Deferred tax assets are reduced by a valuation allowance to recognize the extent to which, more likely than not, the future tax benefits will not be realized.

Cash and cash equivalents

CBI uses a centralized approach to cash management and in financing its operations. The majority of its domestic cash is transferred to CBI daily and CBI funds PLG's operating and investing activities as needed. Accordingly, none of the cash and cash equivalents at the Parent level has been assigned to PLG in the Combined Financial Statements. Cash and cash equivalents in the Combined Balance Sheets represents cash and cash equivalents held locally by certain PLG legal entities. Cash transfers to and from CBI's cash management accounts are reflected in Parent Company Investment.

Cash equivalents included in the Combined Balance Sheets consist of liquid investments with an original maturity of three months or less. Cash equivalents are stated at cost, which approximates fair value.

Reserve for uncollectible accounts receivable

The Company makes ongoing estimates relating to the collectability of its accounts receivable and maintains a reserve for estimated losses resulting from the inability of its customers to make required payments. In determining the amount of the reserve, the Company considers its historical level of credit losses and makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations. These evaluations include, but are not limited to, analyzing its customer's financial statements, maintaining a credit watch list to monitor accounts receivable exposure, and reviewing the customer's prior payment history.

Inventories

Merchandise inventories in the Company's stores are valued by the retail method and are stated at the lower of cost, determined using the first-in, first-out ("FIFO") basis, or market. The retail method is widely used in the retail industry due to its practicality. Under the retail method, cost is determined by applying a calculated cost-to-retail ratio across groupings of similar items, known as departments. As a result, the retail method results in an averaging of inventory costs across similar items within a department. The cost-to-retail ratio is applied to ending inventory at its current owned retail valuation to determine the cost of ending inventory on a department basis.

Current owned retail represents the retail price for which merchandise is offered for sale on a regular basis, reduced for any permanent or clearance markdowns. As a result, the retail method normally results in an inventory valuation that approximates a traditional FIFO cost basis.

Wholesale inventories are valued at the lower of cost or market using the FIFO method. The Company makes ongoing estimates relating to the net realizable value of inventories, based upon its assumptions about future demand and market conditions. If the Company's estimate of the net realizable value of its inventory is less than the cost of the inventory recorded on its books, a reduction to the estimated net realizable value is recorded. If changes in market conditions result in an increase in the estimated net realizable value of the Company's inventory above its previous estimate, such recoveries would be recognized as the related goods are sold.

Substantially all of the Company's inventories are finished goods.

Property and equipment

Property and equipment are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives. The costs of repairs and maintenance are expensed when incurred, while expenditures for store remodels, refurbishments, and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Projects in progress are stated at cost, which includes the cost of construction and other direct costs attributable to the project. No provision for depreciation is made on projects in progress until such time as the relevant assets are completed and put to use. The estimated useful life for each major class of property and equipment is as follows:

Buildings	10 to 30 years
Leasehold improvements	the lesser of 10 years or the remaining expected lease term that is reasonably assured (which may exceed the current non-cancelable term)
Furniture, fixtures and equipment	2 to 10 years

The following is a summary of the components of property and equipment:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Land	$ 3.0	$ 3.0	$ 3.2
Buildings and leasehold improvements	46.6	47.8	48.1
Furniture, fixtures and equipment	48.9	42.5	33.0
Projects in progress	17.0	6.9	3.4
Accumulated depreciation and amortization	(51.2)	(42.4)	(30.4)
Property and equipment, net	$ 64.3	$ 57.8	$ 57.3

Depreciation expense for 2011, 2010 and 2009 was $12.6 million, $13.2 million and $13.5 million, respectively.

The Company evaluates its store assets on a quarterly basis to determine if its assets are recoverable by analyzing historical results, trends, stores identified for closure and other qualitative considerations. If an indicator of impairment exists, the Company models estimated future cash flows on a store-by-store basis and compares the undiscounted future cash flows to the carrying amount of the store's assets. If the carrying value exceeds the undiscounted cash flows, the Company compares the present value, using an appropriate discount rate, of these cash flows to the carrying amount of the assets to calculate the impairment charge. The underlying estimates of cash flows include estimates of future revenues, gross margin rates and store expenses as well as any potential for changes related to occupancy costs, store closures and transfer sales. These assumptions are based upon the stores' past and expected future performance.

The Company records impairment charges in cost of sales on the Combined Statements of Earnings (Loss). The following is a summary of the Company's impairment charges:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Book value of impaired assets	$ 8.0	$ 10.7	$ 14.6
Fair value of impaired assets	3.9	9.3	13.6
Impairment charge	$ 4.1	$ 1.4	$ 1.0

Insurance programs

The Company retains its normal expected losses related primarily to workers' compensation, physical loss to property and business interruption resulting from such loss and comprehensive general, product, and vehicle liability. The Company receives third-party coverage for losses in excess of the normal expected levels under insurance policies executed by its Parent. Provisions for losses expected under these programs are recorded based upon estimates of the aggregate liability for claims incurred utilizing actuarial calculations based on historical results.

Foreign currency translation

Local currencies are the functional currencies for most foreign operations. Accordingly, assets and liabilities of these operations are translated at the rate of exchange at the balance sheet date. Adjustments from the translation process are accumulated as part of other comprehensive (loss) income and are included as a separate component of Parent Company Equity. The changes in foreign currency translation adjustments are not adjusted for income taxes since they relate to indefinite term investments in non-United States operations. Income and expense items of these operations are translated at average rates of exchange. As of fiscal year-end 2011, 2010, and 2009, cumulative translation adjustments included in accumulated other comprehensive (loss) income in the Combined Statements of Parent Company Equity were ($2.6) million, ($1.8) million, and ($0.5) million, respectively. The Company had recorded foreign currency transaction losses of ($2.5) million, ($0.9) million and ($0.7) million within Selling, General and Administrative expenses in the Combined Statements of Earnings (Loss) in fiscal years 2011, 2010, and 2009, respectively.

Company-owned life insurance

Certain employees of the Company are covered under various life insurance policies issued to PLG or our Parent. These life insurance policies are recorded at their net cash surrender values as of each balance sheet date. Premiums and changes in the net cash surrender value during the period are recorded in selling, general and administrative expenses. The Company does not record deferred tax balances related to cash surrender value gains or losses as it has the intent to hold these policies until maturity. The total amounts related to the Company's investments in the life insurance policies, included in other assets in the Combined Balance Sheets as of January 28, 2012, January 29, 2011 and January 30, 2010, were $12.6 million, $12.4 million and $12.1 million, respectively.

Goodwill

The Company assesses goodwill, which is not subject to amortization, for impairment on an annual basis and also at any other date when events or changes in circumstances indicate that the book value of these assets may exceed their fair value. This assessment is performed at a reporting unit level. A reporting unit is a component of a segment that constitutes a business, for which discrete financial information is available, and for which the operating results are regularly reviewed by management. The Company develops an estimate of the fair value of each reporting unit using both a market approach and an income approach. If potential for impairment exists, the fair value of the reporting unit is subsequently measured against the fair value of its underlying assets and liabilities, excluding goodwill, to estimate an implied fair value of the reporting unit's goodwill.

The estimate of fair value is highly subjective and requires significant judgment related to, among other things, the estimate of the magnitude and timing of future reporting unit cash flows. If the Company determines that the estimated fair value of any reporting unit is less than the reporting unit's carrying value, then it will recognize an impairment charge.

The Company's goodwill balance was $239.6 million as of January 28, 2012, January 29, 2011 and January 30, 2010 and was $241.4 million as of January 31, 2009. The Company's accumulated goodwill impairment as of January 28, 2012 was $42.0 million. There were no goodwill impairments recorded during the fiscal years 2011, 2010, and 2009. A $1.8 million adjustment related to a true-up of purchase accounting liabilities was recorded as a reduction to goodwill in 2009.

Intangible assets other than goodwill

Indefinite-lived intangible assets are not amortized, but are tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. Favorable leases, certain trademarks and other intangible assets with finite lives are amortized over their useful lives using the straight-line method. Customer relationships are amortized using an economic patterning technique based on when the benefits of the asset are expected to be used.

The estimated useful life for each class of intangible assets is as follows:

Favorable lease rights	A weighted-average period of 3 years. Favorable lease rights are amortized over the term of the underlying lease, including renewal options in instances where failure to exercise renewals would result in an economic penalty.
Trademarks and other intangible assets	3 to 20 years
Customer relationships	8 years

Each period the Company evaluates whether events and circumstances warrant a revision to the remaining estimated useful life of each intangible asset or its remaining book value. If the Company were to determine that events and circumstances warrant a change to the estimate of an intangible asset's remaining useful life, then the remaining carrying amount of the intangible asset would be amortized prospectively over that revised remaining useful life. If the Company were to determine that the fair value of trademarks with a finite life was lower than its book value, then it would record an impairment charge.

The estimate of fair value is highly subjective and requires significant judgment. If the Company determines that the estimated fair value of any intangible asset is less than its carrying value, then it will recognize an impairment charge.

Derivatives

The Company participates in interest rate related derivative instruments to manage its exposure on its debt instruments and forward contracts to hedge a portion of certain foreign currency purchases. The Company records all derivative instruments on the Combined Balance Sheets as either assets or liabilities measured at fair value in accordance with the framework established for derivatives and hedging and the framework established for fair value measurements and disclosures. For interest rate contracts, the Company uses a mark-to-market valuation technique based on an observable interest rate yield curve and adjusts for credit risk. For foreign currency contracts, the Company uses a mark-to-market technique based on observable foreign currency exchange rates and adjusts for credit risk. Changes in the fair value of these derivative instruments are recorded either through net (loss) earnings or as other comprehensive loss, depending on the type of hedge designation. Gains and losses on derivative instruments designated as cash flow hedges are reported in other comprehensive loss and reclassified into (loss) earnings in the periods in which earnings are impacted by the hedged item.

Parent company investment

Parent Company Investment in the Combined Balance Sheets represents CBI's historical investment in PLG, PLG's accumulated net earnings after taxes, and the net effect of the transactions with and allocations from CBI. See Basis of Presentation above and Note 12 for additional information.

Contingencies

The Company may be involved in legal proceedings that arise in the ordinary course of business. It records accruals for contingencies to the extent that it concludes that their occurrence is probable and that the related liabilities are estimable and it records anticipated recoveries under existing insurance contracts when assured of recovery. The Company considers many factors in making these assessments, including the progress of the case, opinions or views of legal counsel, prior case law, the experience of the Company or other companies in similar cases, and its intent on how to respond. Because litigation and other contingencies are inherently unpredictable and excessive verdicts do occur, these assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions.

Note 2—Intangible assets

The following is a summary of the Company's intangible assets other than goodwill:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Intangible assets subject to amortization:			
Favorable lease rights:			
Gross carrying amount	$ 6.0	$ 6.0	$ 6.0
Less: accumulated amortization	(4.9)	(4.1)	(2.8)
Carrying amount, end of period	1.1	1.9	3.2
Customer relationships:			
Gross carrying amount	67.1	67.1	67.1
Less: accumulated amortization	(49.4)	(41.8)	(32.0)
Carrying amount, end of period	17.7	25.3	35.1
Trademarks and other intangible assets:			
Gross carrying amount	9.3	8.4	8.5
Less: accumulated amortization	(5.5)	(4.3)	(3.2)
Carrying amount, end of period	3.8	4.1	5.3
Total carrying amount of intangible assets subject to amortization	22.6	31.3	43.6
Indefinite-lived trademarks	276.4	299.9	299.9
Total intangible assets	$ 299.0	$ 331.2	$ 343.5

During the second quarter of 2011, due to underperformance in the retail business, the Company revised its financial projections related to certain indefinite-lived trademarks. These revisions indicated a potential impairment of certain indefinite-lived trademarks and, as such, the Company assessed the fair value of these indefinite-lived trademarks to determine if their book value exceeded their fair value. This assessment indicated that the book value of certain indefinite-lived trademarks exceeded their fair value and the Company recorded $23.5 million of pre-tax impairment charges within cost of sales in the Combined Statements of Earnings (Loss). No impairment charges related to its indefinite-lived trademarks were recorded in 2010 or 2009.

Amortization expense on intangible assets is as follows:

	52 weeks ended		
(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Amortization expense on intangible assets	$ 8.8	$ 11.3	$ 14.1

The Company expects amortization expense for the next five years to be as follows (in millions):

Year	Amount
2012	$ 7.5
2013	6.2
2014	5.0
2015	3.6
2016	0.1

Note 3—Long-term debt

On August 17, 2007, CBI, through its wholly-owned subsidiary Collective Brands Finance, Inc, entered into a $725 million term loan (the “Term Loan Facility”). The Term Loan Facility ranks *pari passu* in right of payment and has the lien priorities specified in an intercreditor agreement executed by the administrative agent to the Term Loan Facility. The Term Loan Facility is a senior secured loan guaranteed by substantially all of the assets of CBI and the capital stock of each domestic subsidiary and 66% of the stock of non-U.S. subsidiaries directly owned by CBI, including subsidiaries of the Company. As substantially all the assets of the Company are pledged under the Term Loan Facility, which was used to finance CBI’s acquisition of the Company, the Term Loan Facility debt and related capitalized debt issuance costs and interest expense have been “pushed-down” and reflected in Company’s Combined Financial Statements.

The Term Loan Facility will mature on August 17, 2014 and will amortize quarterly in annual amounts of 1.0% of the original amount, reduced ratably by any prepayments, with the final installment payable on the maturity date. The Term Loan Facility agreement provides for customary mandatory prepayments, subject to certain exceptions and limitations and in certain instances, reinvestment rights, from (a) the net cash proceeds of certain asset sales, insurance recovery events and debt issuances, each as defined in the Term Loan Facility agreement, and (b) 25% of excess cash flow, as defined in the Term Loan Facility agreement, subject to reduction. The mandatory prepayment is not required if CBI’s total leverage ratio, is less than 2.0 to 1.0 at fiscal year-end. Based on the Parent’s excess cash flow projections as of January 28, 2012, it was not required to make such a mandatory prepayment. Loans under the Term Loan Facility will bear interest at CBI’s option, at either (a) the Base Rate as defined in the Term Loan Facility agreement plus 1.75% per annum or (b) the Eurodollar (London Inter-Bank Offer Rate (“LIBOR”)-indexed) Rate plus 2.75% per annum, with such margin to be agreed for any incremental term loans. As of January 28, 2012, the interest rate on loans under the Term Loan Facility was 3.04% as selected by CBI under option (b) above.

The Term Loan Facility contains various covenants including those that may limit CBI’s ability to pay dividends, repurchase stock, accelerate the retirement of debt or make certain investments. As of January 28, 2012, CBI was in compliance with all of its covenants.

Long-term debt obligations were:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Term Loan Facility(1)	$ 484.4	$ 489.4	$ 673.4
Less: current maturities of long-term debt	5.1	5.1	6.9
Long-term debt	$ 479.3	$ 484.3	$ 666.5

(1) As of January 28, 2012, January 29, 2011 and January 30, 2010, the fair value of the Term Loan Facility was $479.5 million, $489.4 million and $653.2, respectively, based on market conditions and perceived risks as of those dates. The fair value of the Term Loan Facility is valued using Level 2 measurements as defined in the Fair Value Measurements footnote (Note 5).

Future debt maturities as of January 28, 2012 are as follows:

(dollars in millions)	Term loan facility
2012	$ 5.1
2013	5.1
2014	474.2
Total	$ 484.4

Additionally, (i) in July 2003 CBI sold $200.0 million of 8.25% Senior Subordinated Notes (the “CBI Notes Payable”) for $196.7 million, due 2013; and (ii) in August 2007 CBI entered into a Revolving Loan Facility (the “CBI Revolver”); amended and restated in August 2011, maturing on August 16, 2016. The CBI Revolver is available for CBI’s general corporate purposes. The CBI Notes Payable and the CBI Revolver and related interest have not been reflected in the Company’s Combined Financial Statements. The Company’s assets have been pledged as collateral to secure the CBI Notes Payable, with the CBI Notes Payable guaranteed by all of CBI’s domestic subsidiaries (including subsidiaries of the Company). The balance of the CBI Notes Payable (including unamortized discount) was $125.0 million, $175.0 million and $175.0 million as of January 28, 2012, January 29, 2011 and January 30, 2010, respectively.

The CBI Revolver is a senior secured loan guaranteed by substantially all of the assets of CBI, including the Company’s assets. The balance of the CBI Revolver was zero at January 28, 2012, January 29, 2011 and January 30, 2010. The Company is not the legal obligor of either the CBI Notes Payable or the CBI Revolver and it is not expected the Company will be the legal obligor for either borrowing in the future in any planned or anticipated transactions which could transfer such obligations.

Note 4—Derivatives

The Company, through CBI, has entered into an interest rate contract for an initial amount of $540 million to hedge a portion of the variable rate $725 million Term Loan Facility (“interest rate contract”). The interest rate contract provides for a fixed interest rate of approximately 7.75%, portions of which matured on a series of dates through May of 2012. As of January 28, 2012, the Company has hedged $90 million of the Term Loan Facility.

The Company has also entered into a series of forward contracts to hedge a portion of certain foreign currency purchases (“foreign currency contracts”). The foreign currency contracts provide for a fixed exchange rate and mature over a series of dates through October of 2012. As of January 28, 2012 the Company has hedged $23.9 million of its forecasted foreign currency purchases. The fair value, amounts classified in other comprehensive income (“OCI”), and the amounts reclassified from accumulated other comprehensive (loss) income (“AOCI”) on the foreign currency contracts were not significant for any periods presented.

The interest rate contract is designated as a cash flow hedging instrument. The change in the fair value of the interest rate contract is recorded as a component of AOCI and reclassified into earnings in the periods in which earnings are impacted by the hedged item. The following table presents the fair value of the Company’s hedging portfolio related to its interest rate contract:

		Fair value		
(dollars in millions)	**Location on combined balance sheet**	**January 28, 2012**	**January 29, 2011**	**January 30, 2010**
Interest rate contract	Other liabilities	$ —	$ 1.3	$ 5.4
Interest rate contract	Accrued expenses	$ 0.9	$ 6.1	$ 10.0

It is the Company's policy to enter into derivative instruments with terms that match the underlying exposure being hedged. As such, the Company's derivative instruments are considered highly effective, and the net gain or loss from hedge ineffectiveness is not significant. Realized gains or losses on the hedging instruments occur when a portion of the hedge settles or if it is probable that the forecasted transaction will not occur. The impact of the derivative instruments on the Combined Financial Statements is as follows:

	Gain (loss) recognized in AOCI on derivative (net of tax)				Gain (loss) reclassified from AOCI into earnings (net of tax)		
	52 Weeks ended				52 Weeks ended		
(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010	Location on Combined Statement of Earnings (Loss)	January 28, 2012	January 29, 2011	January 30, 2010
Interest rate contract	$ (0.5)	$ (2.3)	$ (5.6)	Interest expense	$ (7.0)	$ (7.3)	$ (9.3)

The Company expects the fair value of the interest rate contract recorded in AOCI to be recognized in earnings during the next 12 months. This amount may vary based on changes to LIBOR and foreign currency exchange rates.

Note 5—Fair value measurements

The Company's estimates of fair value for financial assets and financial liabilities are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The three levels of the hierarchy are as follows:

Level 1: observable inputs such as quoted prices in active markets

Level 2: inputs other than the quoted prices in active markets that are observable either directly or indirectly

Level 3: unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions

The following table presents financial assets and financial liabilities that the Company measures at fair value on a recurring basis (not including the Company's pension plan assets). The Company has classified these financial assets and liabilities in accordance with the fair value hierarchy:

	Estimated fair value measurements			
(dollars in millions)	Quoted prices in active markets (level 1)	Significant observable other inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value
As of January 28, 2012				
Financial liabilities:				
Interest rate contract(1)	$ —	$ 0.9	$ —	$ 0.9
As of January 29, 2011				
Financial liabilities:				
Interest rate contract(1)	$ —	$ 7.4	$ —	$ 7.4
As of January 30, 2010				
Financial liabilities:				
Interest rate contract(1)	$ —	$ 15.4	$ —	$ 15.4

(1) The fair value of the interest rate contract is determined using a mark-to-market valuation technique based on an observable interest rate yield curve and adjusting for credit risk.

Note 6—Pension plans

The PLG pension plan is a noncontributory defined benefit pension plan, which no longer accrues future benefits, that covers certain eligible PLG associates. Prior to the freezing of the plan, eligible PLG associates accrued pension benefits at a fixed unit rate based on the associate's service and compensation.

Included in AOCI are the following pre-tax amounts that have not yet been recognized in net periodic pension cost:

(dollars in millions)	
Amount at January 29, 2011	$20.6
Amortization recognized	(1.1)
New amounts recognized	16.9
Amount at January 28, 2012	$36.4

The following tables present information about benefit obligations, plan assets, annual expense, assumptions and other information about PLG's defined benefit pension plan:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Change in projected benefit obligation:			
Obligation at prior measurement date	$ 85.5	$ 78.4	$ 73.5
Interest cost	4.8	4.6	4.5
Actuarial loss	13.4	5.5	3.4
Benefits paid	(3.3)	(3.0)	(3.0)
Obligation at end of year	$ 100.4	$ 85.5	$ 78.4
Assumptions:			
Discount rate	4.70%	5.75%	5.90%
Salary increases	n/a	n/a	n/a

The following table summarizes the change in plan assets:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Fair value of plan assets at prior measurement date	$ 69.4	$ 61.9	$ 44.3
Actual return on plan assets	1.9	8.9	11.1
Employer contributions	0.4	1.6	9.5
Benefits paid	(3.3)	(3.0)	(3.0)
Fair value of plan assets at end of year	$ 68.4	$ 69.4	$ 61.9
Underfunded status at end of year	$ (32.0)	$ (16.1)	$ (16.5)

The $32.0 million, $16.1 million and $16.5 million liabilities recognized as of January 28, 2012, January 29, 2011 and January 30, 2010, respectively, are included in other long-term liabilities in the Combined Balance Sheets.

The components of net periodic benefit costs for the plan were:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Interest cost	$ 4.8	$ 4.6	$ 4.5
Expected return on assets	(5.4)	(5.0)	(3.6)
Amortization of actuarial loss	1.1	1.3	1.8
Net periodic benefit cost	$ 0.5	$ 0.9	$ 2.7
Assumptions:			
Discount rate	5.75%	5.90%	6.25%
Expected long-term return on plan assets	8.00%	8.25%	8.25%
Salary increases	n/a	n/a	n/a

Both the accumulated and projected benefit obligations as of January 28, 2012, January 29, 2011 and January 30, 2010 were $100.4 million, $85.5 million and $78.4 million, respectively.

The Company expects $2.6 million of pre-tax net loss included in AOCI to be recognized in net periodic benefit cost during fiscal year 2012.

In selecting the expected long-term rate of return on assets, the Company considers the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of this plan. This includes considering the plan's asset allocation and the expected returns likely to be earned over the life of the plan. This basis is consistent with the prior year. The calculation of pension expense is dependent on the determination of the assumptions used. Holding other variables constant, a 100 basis point decrease in the discount rate or a 100 basis point decrease in the expected long-term return on assets would increase the Company's annual pension expense by $1.0 million and $0.7 million, respectively. As the result of stopping the accrual of future benefits, a salary growth assumption is no longer applicable.

The long term annualized time-weighted rate of return is calculated on the basis of a three year rolling average using market values and is expected to be at least 1% higher than the composite benchmark for the plan. Investment managers are evaluated semi-annually against commonly accepted benchmarks to ensure adherence to the stated strategy and that the risk posture assumed is commensurate with the given investment style and objectives.

The Company's written investment policy for the PLG Plan establishes investment principles and guidelines and defines the procedures that will be used to control, evaluate and monitor the investment practices for the plan. An administrative committee designated by the Board of Directors provides investment oversight for the plan. Stated investment objectives are:

- Maintain a portfolio of secure assets of appropriate liquidity and diversification that will generate investment returns, combined with expected future contributions, that should be sufficient to maintain the plan's funded state or improve the funding level of the plan if it is in deficit.

- To control the long-term costs of the plan by maximizing return on the assets subject to meeting the objectives above.

The plan's target allocation per the investment policy and weighted average asset allocations by asset category are:

	Target allocation	January 28, 2012	January 29, 2011	January 30, 2010
Domestic equity securities	48% - 58%	52%	54%	47%
International equity securities	10% - 14%	11%	12%	10%
Domestic fixed income securities	32% - 38%	35%	32%	41%
Cash	0% - 5%	2%	2%	2%
		100%	100%	100%

The portfolio is designed to achieve a balanced return of current income and modest growth of capital, while achieving returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of plan assets. All plan assets are required to be invested in liquid securities. While the Company is outside of its target range for certain asset categories as of January 30, 2010, it is still within the guidelines set forth by the investment policy.

The PLG pension plan assets are valued at fair value. The Company's estimates of fair value for these pension plan assets are based on the framework established in the fair value accounting guidance. The three levels of the hierarchy are as follows:

Level 1:	observable inputs such as quoted prices in active markets
Level 2:	inputs other than the quoted prices in active markets that are observable either directly or indirectly
Level 3:	unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions

The following table presents the PLG pension plan assets that the Company measures at fair value on a recurring basis. The Company has classified these financial assets in accordance with the fair value hierarchy:

(dollars in millions)	Estimated fair value measurements			
	Quoted prices in active markets (level 1)	Significant observable other inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value
As of January 28, 2012:				
Domestic equity securities	$ 3.6	$ 32.1	$ —	$ 35.7
International equity securities	7.7	—	—	7.7
Domestic fixed income securities	23.7	—	—	23.7
Cash	1.3	—	—	1.3
Total	$ 36.3	$ 32.1	$ —	$ 68.4
As of January 29, 2011:				
Domestic equity securities	$ 3.5	$ 34.2	$ —	$ 37.7
International equity securities	—	8.0	—	8.0
Domestic fixed income securities	22.2	—	—	22.2
Cash	1.5	—	—	1.5
Total	$ 27.2	$ 42.2	$ —	$ 69.4
As of January 30, 2010:				
Domestic equity securities	$ 2.4	$ 26.3	$ —	$ 28.7
International equity securities	—	6.5	—	6.5
Domestic fixed income securities	25.2	—	—	25.2
Cash	1.5	—	—	1.5
Total	$ 29.1	$ 32.8	$ —	$ 61.9

The Company contributed $0.4 million and $1.6 million to this pension plan during the 2011 and 2010 fiscal years, respectively, and plans to make $4.0 million of contributions during the 2012 fiscal year. The Company's future contributions will depend upon market conditions, interest rates and other factors and may vary significantly in future years based upon the plan's funded status as of the 2012 measurement date.

Estimated future benefit payments for the next five years and the aggregate amount for the following five years for this plan are:

(dollars in millions)	
2012	$ 3.6
2013	3.7
2014	3.9
2015	4.2
2016	4.4
2017-2021	25.8

Additionally, CBI has a nonqualified, supplementary account balance defined benefit pension plan ("Payless Plan") that covers a select group of management employees, This plan is an unfunded, noncontributory plan. During the fiscal years ended 2011, 2010 and 2009, PLG was allocated \$0.3 million, \$0.4 million and \$0.2 million, respectively, of expense related to this plan. These allocated amounts are included within Selling, General and Administrative expense as discussed in Note 12.

Note 7—Defined contribution plans

PLG provides a qualified safe harbor defined contribution plan ("401(k) Plan") for its associates. This qualified defined contribution plan enables eligible associates to defer a portion of their salary to be held by the trustees of the plan and invested as self-directed by associates. Associates are eligible to join the 401(k) Plan on the first of the month following the completion of six months of employment and the attainment of age 21. The matching contribution is 100% on the first 3% of salary deferred and 50% on the next 3% of salary deferred. Matching contributions are made on a regular basis as salary is deferred and are not subject to a true-up at the end of the year. Total 401(k) Plan employer contributions for this plan for 2011, 2010 and 2009 plan years were \$2.1 million, \$1.9 million and \$2.6 million, respectively.

Additionally, CBI has two qualified profit sharing plans ("Payless Profit Sharing Plans"), which are defined contribution plans that provide for CBI contributions at the discretion of CBI's Board of Directors. During the fiscal years ended 2011, 2010 and 2009, PLG was allocated \$0.1 million, \$0.2 million and \$0.1 million, respectively, of expense related to these plans. These allocated amounts are included within Selling, General and Administrative expense as discussed in Note 12.

Note 8—Share-based compensation

CBI maintains certain share-based compensation plans for the benefit of certain officers, directors and employees, including the employees of PLG. Under its equity incentive plans, CBI grants share appreciation vehicles consisting of stock-settled stock appreciation rights ("stock-settled SARs") and cash-settled stock appreciation rights ("cash-settled SARs"), as well as full value vehicles consisting of nonvested shares and phantom stock units to certain PLG employees. Awards can be granted with or without performance restrictions. Appreciation vehicles are granted at the fair market value on the date of grant and may be exercised only after stated vesting dates or other vesting criteria, as applicable, have been achieved. Generally, vesting of appreciation vehicles is conditioned upon continued employment with CBI, although appreciation vehicles may be exercised during certain periods following retirement, termination, disability or death. Historically, CBI has used treasury shares for settlement of share-based compensation.

Compensation expense

Total share-based compensation costs recognized for 2011, 2010 and 2009 were $3.3 million, $4.7 million, and $4.2 million, respectively. A component of these charges relates to costs allocated from CBI employees not solely dedicated to PLG. As of the fiscal years ended 2011, 2010 and 2009, there were approximately 1.1 million, 1.1 million, and 1.2 million, respectively, equity incentive plan shares outstanding related to PLG specific employees. These awards and related amounts are not necessarily indicative of awards and amounts that would have been granted if PLG were an independent, publicly traded company for the periods presented. As of January 28, 2012, the likelihood of whether performance conditions will be met has been assessed and the related expense has been recorded based on the estimated outcome. Total share-based compensation expense associated with PLG employees is summarized as follows:

	52 Weeks ended								
	January 28, 2012			January 29, 2011			January 30, 2010		
(dollars in millions)	PLG employees	Other employee allocations	2011 Total	PLG employees	Other employee allocations	2010 Total	PLG employees	Other employee allocations	2009 total
Cost of sales	$ 0.2	$ 0.1	$ 0.3	$ 0.3	$ 0.1	$ 0.4	$ 0.8	$ 0.2	$ 1.0
Selling, general and administrative expenses	2.5	0.5	3.0	3.5	0.8	4.3	2.4	0.8	3.2
Share-based compensation expense before income taxes	$ 2.7	$ 0.6	$3.3	$ 3.8	$ 0.9	$4.7	$ 3.2	$ 1.0	$4.2

No amount of share-based compensation has been capitalized. As of January 28, 2012, the Company had unrecognized compensation expense related to PLG specific employees' nonvested awards of approximately $2.1 million, which is expected to be recognized over a weighted average period of 0.9 years.

Fair value

CBI uses a binomial model to determine the fair value of its share-based awards. The binomial model considers a range of assumptions relative to volatility, risk-free interest rates and employee exercise behavior. CBI believes the binomial model provides a fair value that is representative of actual and future experience.

The fair value of stock-settled SARs granted was calculated using the following assumptions:

	52 Weeks ended		
	January 28, 2012	January 29, 2011	January 30, 2010
Risk-free interest rate	1.5%	1.9%	1.7%
Expected dividend yield	—%	—%	—%
Expected appreciation vehicle life (in years)	4	4	4
Weighted-average expected volatility	62%	60%	58%

Risk-free interest rate—The rate is based on zero-coupon U.S. Treasury yields in effect at the date of grant, utilizing separate rates for each whole year up to the contractual term of the appreciation vehicle and interpolating for time periods between those not listed.

Expected dividend yield—The Company has not historically paid dividends and has no immediate plans to do so; as a result, the dividend yield is assumed to be zero.

Expected appreciation vehicle life—The expected life is derived from the output of the binomial lattice model and represents the period of time that the appreciation vehicles are expected to be outstanding. This model incorporates time-based early exercise assumptions based on an analysis of historical exercise patterns.

Expected Volatility—The rate used in the binomial model is based on an analysis of historical prices of the Company's stock. The Company currently believes that historical volatility is a good indicator of future volatility.

Note 9—Income taxes

Earnings (loss) before income taxes include the following components:

	52 Weeks ended		
(dollars in millions)	**January 28, 2012**	**January 29, 2011**	**January 30, 2010**
Domestic	$ (30.8)	$ (12.2)	$ (42.4)
Foreign	30.9	21.6	16.8
Total	$ 0.1	$ 9.4	$ (25.6)

The benefit for income taxes consists of the following:

	52 Weeks ended		
(dollars in millions)	**January 28, 2012**	**January 29, 2011**	**January 30, 2010**
Federal	$ 0.1	$ (0.1)	$ (1.8)
State and local	0.1	0.1	(0.2)
Foreign	1.9	1.8	0.8
Current tax provision (benefit)	2.1	1.8	(1.2)
Federal	(8.2)	(2.7)	(4.1)
State and local	(1.1)	(1.4)	(0.6)
Foreign	(0.2)	(0.1)	(0.6)
Deferred tax benefit	(9.5)	(4.2)	(5.3)
Total benefit	$ (7.4)	$ (2.4)	$ (6.5)

The reconciliation between the statutory federal income tax rate and the effective income tax rate as applied to continuing operations was as follows:

	52 Weeks ended					
(dollars in millions)	January 28, 2012		January 29, 2011		January 30, 2010	
Statutory federal income tax rate	35.0%	$ —	35.0%	$ 3.3	35.0%	$(8.9)
State and local income taxes, net of federal tax benefit	(576.1)	(0.5)	(17.4)	(1.6)	7.5	(1.9)
Federal domestic valuation allowance	(1,913.0)	(1.8)	36.9	3.5	(34.5)	8.8
State valuation allowance	(335.8)	(0.3)	14.8	1.4	(5.4)	1.4
Rate differential on foreign earnings, net of valuation allowance	(9,741.0)	(9.0)	(64.1)	(6.0)	22.4	(5.7)
Net decrease in tax reserves	(109.9)	(0.1)	(1.7)	(0.2)	0.5	(0.1)
Tax credits	(1,078.4)	(1.0)	(7.1)	(0.7)	2.7	(0.7)
Foreign unremitted earnings	5,453.0	5.0	—	—	—	—
AMT tax	103.4	0.1	—	—	—	—
Company-owned life insurance	(107.3)	(0.1)	(9.8)	(0.9)	(0.2)	—
Change in state rate	—	—	(10.1)	(1.0)	—	—
Other, net	241.7	0.3	(1.9)	(0.2)	(2.7)	0.6
Effective income tax rate	(8,028.4)%	$(7.4)	(25.4)%	$(2.4)	25.3%	$(6.5)

The Company's effective tax rates have differed from the U.S. statutory rate principally due to the impact of its operations conducted in jurisdictions with rates lower than the U.S. statutory rate and the impact of a domestic valuation allowance recorded against deferred tax assets. The Company has recorded net favorable discrete events of $0.2 million, $0.2 million and $2.1 million in 2011, 2010 and 2009, respectively. The discrete events relate primarily to the resolution of outstanding tax audits and lapse of statutes. During the year ended January 28, 2012, the Company changed its assertion with respect to certain undistributed earnings of foreign subsidiaries and provided $5.7 million of US tax on $14.4 million in earnings of foreign subsidiaries.

Based on CBI's and the Company's historical operating structure, the Company participates in the Asian sourcing activities. These carve-out tax provisions reflect the Company's historical operating structure, and as such, the benefits associated with that structure are reflected in this tax provision for the Company on a stand-alone basis. All of the legal entities involved in the Asian sourcing structure will not be transferred to a buyer in a sale transaction. As a result, the Company's tax benefits received from the Asian sourcing structure in post-acquisition periods will depend on the buyer's operating structure. The rate differential on foreign earnings, net of valuation allowance, arises primarily from the Company's offshore entities that are subject to substantially lower local country income taxes. The Company's weighted average foreign effective tax rate for fiscal years 2011, 2010 and 2009 was 5.3%, 7.9% and 1.0%, respectively. The weighted average foreign effective tax rate is much lower in 2009 due primarily to the losses incurred by Stride Rite Canada.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

	52 Weeks ended		
(dollars in millions)	**January 28, 2012**	**January 29, 2011**	**January 30, 2010**
Gross unrecognized tax benefits at beginning of year	$ 4.6	$ 4.9	$ 5.0
Increases in tax positions for prior years	—	—	—
Decreases in tax positions for prior years	—	—	(1.6)
Increases in tax positions for current year	—	—	1.8
Settlements	—	—	—
Lapse in statute of limitations	(0.2)	(0.3)	(0.3)
Gross unrecognized tax benefits at end of year	$ 4.4	$ 4.6	$ 4.9

The portions of the unrecognized tax benefits as of January 28, 2012, January 29, 2011 and January 30, 2010 which will favorably impact the effective tax rate if recognized are $3.6 million, $3.8 million and $3.9 million, respectively. These unrecognized tax benefits have been determined based on a stand-alone return basis. In certain cases the unrecognized tax benefits may remain with CBI post-acquisition. As a result, the Company's actual unrecognized tax benefits for post-acquisition periods may be different than disclosed above.

For the years ended January 28, 2012, January 29, 2011 and January 30, 2010, the net amount of interest and penalties related to unrecognized tax benefits included in the provision for income taxes in the Combined Statements of Earnings (Loss) was an expense of $0.1 million, $0.1 million, and a benefit of $0.2 million, respectively. Accrued interest and penalties as of January 28, 2012, January 29, 2011 and January 30, 2010 were $1.0 million, $1.0 million, and $0.9 million, respectively. The Company's U.S. federal income tax returns have been examined by the Internal Revenue Service through 2007. The Company has certain state income tax returns in the process of examination or administrative appeal.

The Company anticipates that it is reasonably possible that the total amount of unrecognized tax benefits at January 28, 2012 will decrease by up to $1.0 million within the next 12 months due to potential settlements of on-going examinations with tax authorities and the potential lapse of the statutes of limitations in various taxing jurisdictions. To the extent that these tax benefits are recognized, the effective tax rate will be favorably impacted by up to $0.6 million.

Major components of deferred tax assets (liabilities) were as follows:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Deferred Tax Assets:			
Accrued expenses and reserves	$ 28.6	$ 22.2	$ 23.1
Tax credits and loss carryforwards	18.7	19.0	18.0
Other	8.4	10.5	9.9
Gross deferred tax assets	55.7	51.7	51.0
Less: valuation allowance	(42.3)	(40.7)	(35.8)
Deferred tax assets	$ 13.4	$ 11.0	$ 15.2
Deferred Tax Liabilities:			
Depreciation/amortization and basis differences	$ (118.4)	$ (130.0)	$ (135.4)
Other	(6.3)	(1.8)	(1.8)
Deferred Tax Liabilities	(124.7)	(131.8)	(137.2)
Net deferred tax liability	$ (111.3)	$ (120.8)	$ (122.0)

The deferred tax assets and (liabilities) are included on the Combined Balance Sheets as follows:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Current deferred income tax assets	$ 3.5	$ 2.5	$ 1.8
Deferred income tax assets (noncurrent)	0.1	0.2	0.2
Deferred income tax liability (noncurrent)	(114.9)	(123.5)	(124.0)
	$ (111.3)	$ (120.8)	$ (122.0)

The Company provides a valuation allowance against net deferred tax assets if, based on operating results and other objectively verifiable evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company has a three year cumulative pre-tax loss in its domestic jurisdiction. The cumulative loss resulted in the Company recording an increase in a non-cash valuation allowance on domestic deferred tax assets of $10.2 million in 2009, $4.9 million in 2010 and $1.6 million in 2011, as realization of the deferred tax assets was not more likely than not. The establishment of a valuation allowance does not have any impact on cash, nor does such an allowance preclude the Company from using its loss carryforwards or utilizing other deferred tax assets in the future. At January 28, 2012, deferred tax assets for federal, state and foreign net operating loss carryforwards are $15.0 million, less a valuation allowance of $14.8 million. These net operating losses are recalculated based on the Company's stand-alone carve-out basis. They do not reflect actual net operating losses which will carry forward into the post-acquisition periods. These net operating loss carryforwards will expire as follows:

(dollars in millions)	Expiration	Amount	Valuation allowance
Federal net operating losses	2029-2030	$ 10.1	$ (10.1)
State net operating losses	2012-2031	4.5	(4.5)
Foreign net operating losses	Indefinite	0.4	(0.2)
Total		$ 15.0	$ (14.8)

At January 28, 2012, deferred tax assets for federal, state and foreign tax credits are $3.7 million, less a valuation allowance of $3.7 million. These credits are recalculated based on the Company's stand-alone carve-out basis. They do not reflect actual credits which will carry forward into the post-acquisition periods. These credits will expire as follows:

(dollars in millions)	Expiration	Amount	Valuation allowance
Federal foreign tax credit carryforwards	2018-2021	$ 1.4	$ (1.4)
Federal general business credit carryforwards	2028-2031	1.3	(1.3)
State income tax credit carryforwards	2012-2028	0.9	(0.9)
Alternative minimum tax credit	Indefinite	0.1	(0.1)
Total		$ 3.7	$ (3.7)

The Company's operating results have been included in CBI's consolidated U.S. federal and state income tax returns as well as included in certain of CBI's tax filings for non-U.S. jurisdictions. The provision for income taxes in these Combined Financial Statements has been determined on a stand-alone return basis. The Company's contribution to CBI's tax losses and tax credits on a stand-alone return basis has been included in these Combined Financial Statements. The Company's stand-alone return basis tax net operating loss and tax credit carryforwards may not reflect the tax positions taken or to be taken by CBI. In certain cases the tax losses and tax credits generated by the Company have been available for use by CBI or may remain with CBI. As a result, the Company's actual net operating loss and tax credit carryforwards to post-acquisition periods may be different than disclosed above

As of January 28, 2012, the Company has not provided US tax on its cumulative undistributed earnings of foreign subsidiaries of approximately $54.3 million, because it is the Company's intention to reinvest these earnings indefinitely. The calculation of the unrecognized deferred tax liability related to these earnings is complex and the calculation is not practicable. If earnings were distributed, the Company would be subject to US taxes and withholding taxes payable to various foreign governments. Based on the facts and circumstances at that time, the Company would determine whether a credit for foreign taxes already paid would be available to reduce or offset the US tax liability.

Note 10—Accrued expenses and other liabilities

Major components of accrued expenses included:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Profit sharing, bonus and salaries	$ 15.4	$ 20.3	$ 9.9
Sales, use and other taxes	3.4	3.3	2.3
Accrued interest	1.8	3.6	5.3
Accrued advertising	2.4	2.2	1.1
Derivative liability	0.9	6.1	10.0
Other accrued expenses	5.3	5.8	10.2
Total	$ 29.2	$ 41.3	$ 38.8

Major components of other liabilities included:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Pension plans	$ 32.0	$ 16.1	$ 16.5
Straight-line rent	3.3	3.4	2.5
Deferred tenant improvement allowances, net	2.1	2.5	1.9
Deferred compensation	3.4	3.1	1.8
Long-term compensation	3.2	1.1	—
Derivative liability	—	1.3	5.4
Other liabilities	7.4	8.2	11.5
Total	$ 51.4	$ 35.7	$ 39.6

Note 11—Lease obligations

Rental expense for the Company's operating leases consisted of:

(dollars in millions)	January 28, 2012	January 29, 2011	January 30, 2010
Minimum rentals	$ 29.2	$ 27.1	$ 27.1
Contingent rentals based on sales	1.0	0.2	0.2
Real property rentals	30.2	27.3	27.3
Equipment rentals	2.9	3.9	4.1
Total	$ 33.1	$ 31.2	$ 31.4

Most store lease agreements contain renewal options and include escalating rents over the lease terms. Certain leases provide for contingent rentals based upon gross sales. Cumulative expense recognized on the straight-line basis in excess of cumulative payments is included in accrued expenses and other liabilities on the accompanying Combined Balance Sheets. Certain lease agreements provide for scheduled rent increases during the lease term, as well as provisions for renewal options. Rent expense is recognized on a straight-line basis over the term of the lease from the time at which the Company takes possession of the property. In instances where failure to exercise renewal options would result in an economic penalty, the calculation of straight-line rent expense includes renewal option periods. Also, landlord-provided tenant improvement allowances are recorded as a liability and amortized as a credit to rent expense.

Future minimum lease payments under non-cancelable operating lease obligations as of January 28, 2012, were as follows:

(dollars in millions)	Operating leases
2012	$ 28.2
2013	25.4
2014	22.8
2015	19.4
2016	15.2
2017 and thereafter	39.3
Minimum lease payments	$ 150.3

At January 28, 2012, there were no minimum rentals to be received in the future under non-cancelable subleases.

Note 12—Related party transactions and parent company equity

Allocation of expenses

The Combined Financial Statements include expense allocations for certain functions provided by CBI, including, but not limited to, finance, legal, information technology, human resources, logistics, sourcing and other employee benefits and incentives. These expenses have been allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on the basis of net sales, headcount, store count, footwear units, level of effort or other measures. During the fiscal years ended 2011, 2010 and 2009, the Company was allocated the following costs incurred by CBI which are included in the Combined Statements of Earnings (Loss) as follows:

	52 Weeks ended		
(dollars in millions)	**January 28, 2012**	**January 29, 2011**	**January 30, 2010**
Cost of sales	$ 13.0	$ 12.5	$ 8.8
Selling, general and administrative expenses	14.5	12.9	10.1
Total	$ 27.5	$ 25.4	$ 18.9

The expense allocations have been determined on the basis that both the Company and CBI consider to be a reasonable reflection of the utilization of services provided or the benefit received by the Company during the periods presented. The allocations may not, however, reflect the expense the Company would have incurred as an independent company for the periods presented. Actual costs that may have been incurred if the Company had been a stand-alone company would depend on a number of factors, including the chosen organization structure and certain strategic decisions.

Included in the above allocations are expenses related to the Company's sourcing operations in Asia which are shared with CBI. Allocations of shared administrative, finance, information technology, human resources, etc. expenses relative to these operations totaled $8.7 million, $9.5 million and $6.9 million in 2011, 2010 and 2009, respectively, and are recorded within Cost of sales in the Combined Statements of Earnings (Loss). Additionally, for tax purposes, transfer price revenue associated with the Company's sourcing operations in Asia is included in the Company's foreign earnings (loss) before income taxes, with offsetting transfer price expense included in the Company's domestic earnings (loss) before income taxes.

Parent company investment

It is not meaningful to show share capital or retained earnings for the Company. The net assets of the Company are represented by the cumulative investment in the Company by CBI that is shown as Parent Company Investment, which comprises share capital, accumulated retained earnings of the Company, after eliminating investments within the Company's subsidiaries, as well as settlement of intercompany charges to/from CBI from/to the Company and net transfers of excess cash and cash equivalents. All significant transactions between the Company and CBI have been included in the Combined Financial Statements and are considered to be effectively settled for cash in the Combined Financial Statements at the time the transaction is recorded.

Net transfers from Parent are included within Parent Company Investment on the Combined Statements of Parent Company Equity. The components of net transfers from parent are as follows:

(dollars in millions)	52 Weeks ended January 28, 2012	January 29, 2011	January 30, 2010
Net change in income tax accounts	$ 2.1	$ 1.8	$ (1.2)
Allocation of expenses	27.5	25.4	18.9
Cash pooling and general financing activities	(1.2)	171.1	16.4
Total net transfers from parent	$ 28.4	$ 198.3	$ 34.1

Note 13—Environmental liability

The Company owns a property with a related environmental liability. The liability as of January 28, 2012 was $0.5 million, $0.1 million of which was included as an accrued expense and $0.4 million of which was included in other long-term liabilities in the accompanying Combined Balance Sheets. The assessment of the liability and the associated cost were based upon available information after consultation with environmental engineers, consultants and attorneys assisting the Company in addressing these environmental issues. The Company estimates the total cost related to this environmental liability to be $6.3 million, including $5.8 million of costs that have already been paid. Actual costs to address the environmental conditions may change based upon further investigations, the conclusions of regulatory authorities about information gathered in those investigations and due to the inherent uncertainties involved in estimating conditions in the environment and the costs of addressing such conditions.

Note 14—Commitments and contingencies

As of January 28, 2012, the Company has $1.4 million of royalty obligations consisting of minimum royalty payments for the purchase of branded merchandise, $45.6 million of estimated future benefit payment obligations over the next ten years associated with the PLG pension plan, $0.5 million of service agreement obligations relating to minimum payments for services that the Company cannot avoid without penalty and $0.1 million of employment agreement obligations related to minimum payments to certain of the Company's executives.

There are no pending legal proceedings other than ordinary, routine litigation incidental to the business to which the Company is a party or of which its property is subject, none of which the Company expects to have a material impact on its financial position, results of operations or cash flows.

Note 15—Impact of recently issued accounting standards

In May 2011, the FASB issued ASU 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" ("ASU 2011-04"), which is effective for annual reporting periods beginning after December 15, 2011. This guidance amends certain accounting and disclosure requirements related to fair value measurements. The Company does not believe ASU 2011-04 will have a significant impact on its Combined Financial Statements.

In September 2011, the FASB issued ASU 2011-08, "Testing Goodwill for Impairment", which is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011; however, early adoption is permitted. Under the new guidance, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the entity determines that this threshold is not met, then performing the two-step impairment test is unnecessary. The Company does not believe ASU 2011-08 will have a significant impact on its Combined Financial Statements.

In July 2012, the FASB issued ASU 2012-02, “Testing Indefinite-Lived Intangible Assets for Impairment”, which is effective for annual reporting periods, and interim periods within those years, beginning after September 15, 2012. ASU 2012-02 amends the guidance in ASC 350-30 on testing indefinite-lived intangible assets, other than goodwill, for impairment. The FASB issued the ASU in response to feedback on ASU 2011-08, which amended the goodwill impairment testing requirements by allowing an entity to perform a qualitative impairment assessment before proceeding to the two-step impairment test. Similarly, under ASU 2012-02, an entity testing an indefinite-lived intangible asset for impairment has the option of performing a qualitative assessment before calculating the fair value of the asset. Although ASU 2012-02 revises the examples of events and circumstances that an entity should consider in interim periods, it does not revise the requirements to test (1) indefinite-lived intangible assets annually for impairment and (2) between annual tests if there is a change in events or circumstances. The Company does not believe ASU 2012-02 will have a significant impact on its Combined Financial Statements.

Note 16—Subsequent events

These combined financial statements reflect management’s evaluation of subsequent events through September 7, 2012, the date the financial statements were available to be issued.

Collective Brands Performance + Lifestyle Group
(A component of Collective Bands, Inc.)
Condensed combined statements of earnings
(Unaudited)

(Dollars in millions)

	26 Weeks ended	
	July 28, 2012	July 30, 2011
Net sales	$ 586.6	$ 543.8
Cost of sales	410.2	408.5
Gross margin	176.4	135.3
Selling, general and administrative expenses	133.9	123.4
Operating profit	42.5	11.9
Interest expense	9.3	12.4
Interest income	(0.1)	—
Net earnings (loss) before income taxes	33.3	(0.5)
Provision (benefit) for income taxes	2.9	(4.8)
Net earnings	$ 30.4	$ 4.3

See Notes to Condensed Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Condensed combined statements of comprehensive income
(Unaudited)

(Dollars in millions)

	26 Weeks ended	
	July 28, 2012	July 30, 2011
Comprehensive income:		
Net earnings	$ 30.4	$ 4.3
Other comprehensive income:		
Translation adjustments	(0.4)	(0.2)
Change in fair value of derivatives	0.9	3.9
Change in unrecognized pension benefits	1.3	1.2
Other comprehensive income, net	1.8	4.9
Comprehensive income	$ 32.2	$ 9.2

See Notes to Condensed Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Condensed combined balance sheets
(Unaudited)

(Dollars in millions)

	July 28, 2012	July 30, 2011	January 28, 2012
ASSETS (Pledged for parent company debt-See Note 3)			
Current Assets:			
Cash and cash equivalents	$ 8.9	$ 11.5	$ 7.5
Accounts receivable, net of allowance for doubtful accounts and returns reserve as of July 28, 2012, July 30, 2011 and January 28, 2012 of $6.0, $7.1 and $5.6, respectively	165.8	154.1	125.9
Inventories	189.0	193.7	206.5
Deferred income taxes	3.8	3.5	3.5
Prepaid expenses	11.7	9.7	8.5
Other current assets	9.5	9.0	9.8
Total current assets	388.7	381.5	361.7
Property and Equipment:			
Land	3.0	3.0	3.0
Property, buildings and equipment	119.4	102.7	112.5
Accumulated depreciation and amortization	(57.4)	(48.6)	(51.2)
Property and equipment, net	65.0	57.1	64.3
Intangible assets, net	295.4	303.4	299.0
Goodwill	239.6	239.6	239.6
Deferred income taxes	0.1	0.1	0.1
Other assets	15.0	17.6	17.6
Total Assets (Pledged for parent company debt-See Note 3)	$1,003.8	$ 999.3	$ 982.3
LIABILITIES AND EQUITY			
Current Liabilities:			
Current maturities of long-term debt	$ 5.1	$ 5.1	$ 5.1
Accounts payable	111.5	105.4	92.0
Accrued expenses	31.9	34.3	29.2
Total current liabilities	148.5	144.8	126.3
Long-term debt	476.7	481.8	479.3
Deferred income taxes	115.1	118.1	114.9
Other liabilities	50.1	35.1	51.4
Total Liabilities	790.4	779.8	771.9
Commitments and contingencies (Note 10)			
Parent Company Equity:			
Parent company investment	241.5	234.3	240.3
Accumulated other comprehensive loss, net of income taxes	(28.1)	(14.8)	(29.9)
Total Parent Company Equity	213.4	219.5	210.4
Total Liabilities and Parent Company Equity	$1,003.8	$ 999.3	$ 982.3

See Notes to Condensed Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Condensed combined statements of parent company equity
(Unaudited)

(Dollars in millions)

	Parent company investment	Accumulated other comprehensive loss	Total
Balance at January 29, 2011	$ 204.4	$ (19.7)	$184.7
Net earnings	4.3	—	4.3
Net transfers from parent	25.6	—	25.6
Translation adjustments	—	(0.2)	(0.2)
Net change in fair value of derivative, net of taxes of $0.0 (Note 4)	—	3.9	3.9
Changes in unrecognized amounts of pension benefits, net of taxes of $0.0 (Note 6)	—	1.2	1.2
Balance at July 30, 2011	$ 234.3	$ (14.8)	$219.5
Balance at January 28, 2012	$ 240.3	$ (29.9)	$210.4
Net earnings	30.4	—	30.4
Net transfers to parent	(29.2)	—	(29.2)
Translation adjustments	—	(0.4)	(0.4)
Net change in fair value of derivative, net of taxes of $0.0 (Note 4)	—	0.9	0.9
Changes in unrecognized amounts of pension benefits, net of taxes of $0.0 (Note 6)	—	1.3	1.3
Balance at July 28, 2012	$ 241.5	$ (28.1)	$213.4

See Notes to Condensed Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Condensed combined statements of cash flows
(Unaudited)

(Dollars in millions)

	26 Weeks ended	
	July 28, 2012	July 30, 2011
Operating Activities:		
Net earnings	$ 30.4	$ 4.3
Adjustments for non-cash items included in net earnings:		
Loss on impairment and disposal of assets	0.6	4.1
Impairment of indefinite-lived tradenames	—	23.5
Depreciation and amortization	10.9	11.3
Provision for losses on accounts receivable	1.1	0.4
Share-based compensation expense	1.0	1.8
Deferred income taxes	(0.1)	(6.3)
Excess tax benefit from share-based compensation	(0.6)	—
Changes in working capital:		
Accounts receivable	(42.0)	(52.1)
Inventories	16.3	(9.5)
Prepaid expenses and other current assets	(3.1)	(1.9)
Accounts payable	15.0	18.0
Accrued expenses	5.2	(4.1)
Changes in other assets and liabilities, net	2.4	1.9
Cash flow provided by (used in) operating activities	37.1	(8.6)
Investing Activities:		
Capital expenditures	(9.1)	(9.3)
Intangible asset additions	(0.1)	(0.4)
Cash flow used in investing activities	(9.2)	(9.7)
Financing Activities:		
Repayment of debt	(2.6)	(2.5)
Net transfers (to) from Parent	(30.2)	23.8
Excess tax benefit from share-based compensation	0.6	—
Cash flow (used in) provided by financing activities	(32.2)	21.3
Effect of exchange rate changes on cash	5.7	(1.9)
Increase in cash and cash equivalents	1.4	1.1
Cash and cash equivalents, beginning of year	7.5	10.4
Cash and cash equivalents, end of period	$ 8.9	$ 11.5
Supplemental cash flow information:		
Interest paid (by the Parent)	$ 10.0	$ 13.1
Income taxes paid (by the Parent)	$ 2.1	$ 1.5
Non-cash investing and financing activities:		
Accrued capital additions	$ 1.0	$ 0.8

See Notes to Condensed Combined Financial Statements.

Collective Brands Performance + Lifestyle Group
(A component of Collective Brands, Inc.)
Notes to condensed combined financial statements
(Unaudited)

Note 1—Interim results

Description of business and basis of presentation

These unaudited Condensed Combined Financial Statements of Collective Brands Performance + Lifestyle Group ("PLG" or the "Company") should be read in conjunction with the Notes to Combined Financial Statements as of January 28, 2012, January 29, 2011 and January 30, 2010 and for each of the three fiscal years in the period ended January 28, 2012. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. In the opinion of management, these unaudited Condensed Combined Financial Statements are fairly presented and all adjustments (consisting of normal recurring adjustments) necessary for a fair statement of the results for the interim periods have been included; however, certain items included in these statements are based upon estimates for the entire year. The unaudited Condensed Combined Balance Sheet as of January 28, 2012 has been derived from the audited financial statements at that date.

PLG is a combination of wholly owned subsidiaries and operations within Collective Brands, Inc. ("CBI" or the "Parent"). PLG markets the leading brand of high-quality children's shoes in the United States under the Stride Rite brand. PLG also markets products for children and adults under well-known brand names, including Sperry Top-Sider, Saucony, and Keds.

On May 1, 2012, CBI entered into a definitive agreement with a consortium of companies comprised of Wolverine World Wide, Inc., Blum Strategic Partners IV, L.P. and Golden Gate Capital Opportunity Fund, L.P., under which CBI will be sold for $21.75 per share in cash. At the close of this transaction, which was approved by shareholders on August 21, 2012, and which is expected to occur late in the third or early in the fourth calendar quarter of 2012, Wolverine World Wide, Inc. will acquire the Company.

These unaudited Condensed Combined Financial Statements reflect the historical unaudited Condensed Combined Statements of Earnings, unaudited Condensed Combined Statements of Comprehensive Income, unaudited Condensed Combined Balance Sheets, unaudited Condensed Combined Statements of Parent Company Equity and unaudited Condensed Combined Statements of Cash Flows of PLG for the periods presented. The historical unaudited Condensed Combined Financial Statements reflect the amounts that have been "carved-out" from CBI's consolidated financial statements prepared in accordance with accounting principles generally accepted in the U.S. and reflect assumptions and allocations made by CBI to depict PLG on a stand-alone basis. As a result, the unaudited Condensed Combined Financial Statements included herein may not necessarily be indicative of PLG's financial position, results of operations, or cash flows had it operated as a stand-alone entity during the periods presented.

The unaudited Condensed Combined Financial Statements were prepared using CBI's historical records of the assets and liabilities of PLG, and the historical unaudited Condensed Combined Financial Statements include all net sales, costs, assets, and liabilities directly attributable to PLG.

The unaudited Condensed Combined Financial Statements also reflect the push-down of certain of CBI's long-term debt and associated capitalized debt issuance costs and interest expense. In addition, certain expenses reflected in the unaudited Condensed Combined Financial Statements include allocations of corporate expenses from CBI, which in the opinion of management are reasonable (see Note 9). All such costs and expenses have been deemed to have been paid by PLG to CBI in the period in which the costs were incurred and are reflected in Parent Company Investment as shown in the unaudited Condensed Combined Statements of Parent Company Equity. Parent Company Investment in the unaudited Condensed Combined Balance Sheets represents CBI's historical investment in PLG, PLG's accumulated net earnings after taxes, and the net effect of the transactions with and allocations from CBI.

CBI uses a centralized approach to cash management and in financing its operations. The majority of its domestic cash is transferred to CBI daily and CBI funds PLG's operating and investing activities as needed. Accordingly, none of the cash and cash equivalents at the Parent level has been assigned to PLG in the unaudited Condensed Combined Financial Statements. Cash and cash equivalents in the unaudited Condensed Combined Balance Sheets represents cash and cash equivalents held locally by certain PLG legal entities. Cash transfers to and from CBI's cash management accounts are reflected in Parent Company Investment.

Note 2—Intangible assets and goodwill

The following is a summary of the Company's intangible assets other than goodwill:

(dollars in millions)	July 28, 2012	July 30, 2011	January 28, 2012
Intangible assets subject to amortization:			
Favorable lease rights:			
Gross carrying amount	$ 6.0	$ 6.0	$ 6.0
Less: accumulated amortization	(5.0)	(4.5)	(4.9)
Carrying amount, end of period	1.0	1.5	1.1
Customer relationships:			
Gross carrying amount	67.1	67.1	67.1
Less: accumulated amortization	(52.4)	(45.6)	(49.4)
Carrying amount, end of period	14.7	21.5	17.7
Trademarks and other intangible assets:			
Gross carrying amount	9.3	8.8	9.3
Less: accumulated amortization	(6.0)	(4.8)	(5.5)
Carrying amount, end of period	3.3	4.0	3.8
Total carrying amount of intangible assets subject to amortization	19.0	27.0	22.6
Indefinite-lived trademarks	276.4	276.4	276.4
Total intangible assets	$ 295.4	$ 303.4	$ 299.0

Each period the Company evaluates whether events and circumstances warrant a revision to the remaining estimated useful life of each intangible asset or its remaining book value. If the Company were to determine that events and circumstances warrant a change to the estimate of an intangible asset's remaining useful life, then the remaining carrying amount of the intangible asset would be amortized prospectively over that revised remaining useful life. If the Company were to determine that the fair value of trademarks with a finite life was lower than its book value, then it would record an impairment charge. The estimate of fair value is highly subjective and requires significant judgment. If the Company determines that the estimated fair value of any intangible asset is less than its carrying value, then it will recognize an impairment charge.

During the second quarter of 2011, due to underperformance in the retail business, the Company revised its financial projections related to certain indefinite-lived trademarks. These revisions indicated a potential impairment of certain indefinite-lived trademarks and, as such, the Company assessed the fair value of these indefinite-lived trademarks to determine if their book value exceeded their fair value. This assessment indicated that the book value of certain indefinite-lived trademarks exceeded their fair value and the Company recorded $23.5 million of pre-tax impairment charges within cost of sales in the Combined Statements of Earnings during the 26 weeks ended July 30, 2011. No impairment charges related to its indefinite-lived trademarks were recorded during the 26 weeks ended July 28, 2012.

Amortization expense on intangible assets is as follows:

	26 Weeks ended	
(dollars in millions)	**July 28, 2012**	**July 30, 2011**
Amortization expense on intangible assets	$ 3.7	$ 4.4

The Company expects amortization expense for the next five years to be as follows (in millions):

Year	**Amount**
Remainder of 2012	$ 3.8
2013	6.2
2014	5.0
2015	3.6
2016	0.1

The Company's goodwill balance was $239.6 million as of July 28, 2012, July 30, 2011 and January 28, 2012. The Company's accumulated goodwill impairment as of July 28, 2012 was $42.0 million. There were no goodwill impairments recorded during the 26 weeks ending July 28, 2012 and July 30, 2011.

Note 3—Long-term debt

Long-term debt obligations were:

(dollars in millions)	**July 28, 2012**	**July 30, 2011**	**January 28, 2012**
Term Loan Facility(1)	$ 481.8	$ 486.9	$ 484.4
Less: current maturities of long-term debt	5.1	5.1	5.1
Long-term debt	$ 476.7	$ 481.8	$ 479.3

(1) As of July 28, 2012, July 30, 2011 and January 28, 2012, the fair value of the Term Loan Facility was $480.0 million, $478.4 million and $479.5 million, respectively, based on market conditions and perceived risks as of those dates. The fair value of the Term Loan Facility is valued using Level 2 measurements as defined in the Fair Value Measurements footnote (Note 5).

Additionally, (i) in July 2003 CBI sold $200.0 million of 8.25% Senior Subordinated Notes (the "CBI Notes Payable") for $196.7 million, due 2013; and (ii) in August 2007 CBI entered into a Revolving Loan Facility (the "CBI Revolver"); amended and restated in August 2011, maturing on August 16, 2016. The CBI Revolver is available for CBI's general corporate purposes. The CBI Notes Payable and the CBI Revolver and related interest have not been reflected in the Company's unaudited Condensed Combined Financial Statements. The Company's assets have been pledged as collateral to secure the CBI Notes Payable, with the CBI Notes Payable guaranteed by all of CBI's domestic subsidiaries (including subsidiaries of the Company). The balance of the CBI Notes Payable (including unamortized discount) was $124.7 million, $174.3 million and $125.0 million as of July 28, 2012, July 30, 2011 and January 28, 2012, respectively.

The CBI Revolver is a senior secured loan guaranteed by substantially all of the assets of CBI, including the Company's assets. The balance of the CBI Revolver was zero at July 28, 2012, July 30, 2011 and January 28, 2012. The Company is not the legal obligor of either the CBI Notes Payable or the CBI Revolver and it is not expected that the Company will be the legal obligor for either borrowing in the future in any planned or anticipated transactions which could transfer such obligations.

Note 4—Derivatives

The Company, through CBI, previously entered into an interest rate contract for an initial amount of $540 million to hedge a portion of the variable rate $725 million Term Loan Facility ("interest rate contract"). The interest rate contract provided for a fixed interest rate of approximately 7.75%, and it expired on May 17, 2012.

The Company has also entered into a series of forward contracts to hedge a portion of certain foreign currency purchases ("foreign currency contracts"). The foreign currency contracts provide for a fixed exchange rate and mature over a series of dates through October 2012. As of July 28, 2012, the Company has hedged $21.5 million of its forecasted foreign currency purchases. The fair value, amounts classified in other comprehensive income ("OCI"), and the amounts reclassified from accumulated other comprehensive income ("AOCI") on the foreign currency contracts were not significant for any periods presented.

The interest rate contract was designated as a cash flow hedging instrument. The change in the fair value of the interest rate contract was recorded as a component of AOCI and reclassified into earnings in the periods in which earnings were impacted by the hedged item. The following table presents the fair value of the Company's hedging portfolio related to its interest rate contract:

		Fair value		
(dollars in millions)	**Location on combined balance sheet**	**July 28, 2012**	**July 30, 2011**	**January 28, 2012**
Interest rate contract	Accrued expenses	$ —	$ 3.3	$ 0.9

It is the Company's policy to enter into derivative instruments with terms that match the underlying exposure being hedged. As such, the Company's derivative instruments are considered highly effective, and the net gain or loss from hedge ineffectiveness is not significant. Realized gains or losses on the hedging instruments occur when a portion of the hedge settles or if it is probable that the forecasted transaction will not occur. The impact of the derivative instruments on the unaudited Condensed Combined Financial Statements is as follows:

	Loss recognized in AOCI on derivative (net of tax) 26 Weeks ended			Loss reclassified from AOCI into earnings (net of tax) 26 Weeks ended	
(dollars in millions)	July 28, 2012	July 30, 2011	Location on combined statement of earnings	July 28, 2012	July 30, 2011
Interest rate contract	$ —	$ (0.5)	Interest expense	$ (0.9)	$ (4.4)

Note 5—Fair value measurements

The Company's estimates of fair value for financial assets and financial liabilities are based on the framework established in the fair value accounting guidance. The framework is based on the inputs used in valuation, gives the highest priority to quoted prices in active markets, and requires that observable inputs be used in the valuations when available. The three levels of the hierarchy are as follows:

Level 1: observable inputs such as quoted prices in active markets

Level 2: inputs other than the quoted prices in active markets that are observable either directly or indirectly

Level 3: unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions

The following table presents financial assets and financial liabilities that the Company measures at fair value on a recurring basis (not including the Company's pension plan assets). The Company has classified these financial assets and liabilities in accordance with the fair value hierarchy:

	Estimated fair value measurements			
(dollars in millions)	Quoted prices in active markets (level 1)	Significant observable other inputs (level 2)	Significant unobservable inputs (level 3)	Total fair value
As of July 28, 2012				
Financial liabilities:				
Interest rate contract(1)	$ —	$ —	$ —	$ —
As of July 30, 2011				
Financial liabilities:				
Interest rate contract(1)	$ —	$ 3.3	$ —	$ 3.3
As of January 28, 2012				
Financial liabilities:				
Interest rate contract(1)	$ —	$ 0.9	$ —	$ 0.9

(1) The fair value of the interest rate contract is determined using a mark-to-market valuation technique based on an observable interest rate yield curve and adjusting for credit risk.

The Company evaluates its store assets on a quarterly basis to determine if its assets are recoverable by analyzing historical results, trends, stores identified for closure and other qualitative considerations. If an indicator of impairment exists, the Company models estimated future cash flows on a store-by-store basis and compares the undiscounted future cash flows to the carrying amount of the store's assets. If the carrying value exceeds the undiscounted cash flows, the Company compares the present value, using an appropriate discount rate, of these cash flows to the carrying amount of the assets to calculate the impairment charge. The underlying estimates of cash flows include estimates of future revenues, gross margin rates and store expenses as well as any potential for changes related to occupancy costs, store closures and transfer sales. These assumptions are based upon the stores' past and expected future performance.

For the 26 weeks ended July 28, 2012, the Company did not have any asset impairment. For the 26 weeks ended July 30, 2011, the accumulation of the quarterly asset impairment tests indicated that $8.0 million of the Company's assets had a fair value of $4.0 million and, as such, the Company recorded a $4.0 million impairment charge in cost of sales on the unaudited Condensed Combined Statement of Earnings.

Note 6—Pension plans

The PLG Plan is a noncontributory defined benefit pension plan, which no longer accrues future benefits, covering certain eligible PLG associates. The components of pension expense for the plan were:

	26 Weeks ended	
(dollars in millions)	**July 28, 2012**	**July 30, 2011**
Components of pension expense:		
Interest cost	$ 2.3	$ 2.4
Expected return on net assets	(2.8)	(2.7)
Amortization of actuarial loss	1.3	0.6
Total	$ 0.8	$ 0.3

Note 7—Share-based compensation

CBI maintains certain share-based compensation plans for the benefit of certain officers, directors and employees, including the employees of PLG. Under its equity incentive plans, CBI grants share appreciation vehicles consisting of stock-settled stock appreciation rights ("stock-settled SARs") and cash-settled stock appreciation rights ("cash-settled SARs"), as well as full value vehicles consisting of nonvested shares and phantom stock units to certain PLG employees. Appreciation vehicles are granted at the fair market value on the date of grant and may be exercised only after stated vesting dates or other vesting criteria, as applicable, have been achieved. Generally, vesting of appreciation vehicles is conditioned upon continued employment with CBI, although appreciation vehicles may be exercised during certain periods following retirement, termination, disability or death. Historically, CBI has used treasury shares for settlement of share-based compensation.

CBI's 2006 Stock Incentive Plan ("2006 SIP") allows CBI to grant a maximum of 4,987,000 shares. On May 24, 2012, CBI's stockholders approved the 2012 Stock Incentive Plan ("2012 SIP"), which allows CBI to grant an additional 3,375,000 shares. Appreciation awards to be granted under the plans have a maximum term of seven years and can vest on a graded schedule, a cliff basis or based on performance. The exercise price of an appreciation award may not be less than the fair market value of CBI's stock on the grant date. Associates who receive full value awards pay no monetary consideration. Awards under the plans can be granted with or without performance restrictions. Restrictions, including performance restrictions, lapse over periods of up to seven years, as determined at the date of grant.

During the 26 weeks ended July 28, 2012, approximately 110,000 nonvested shares were granted. During the 26 weeks ended July 30, 2011, approximately 107,000 stock-settled SARs and nonvested shares were granted. The total fair value of share grants related to PLG specific employees for the 26 weeks ended July 28, 2012 and July 30, 2011 is $2.0 and $1.9, respectively.

Total share-based compensation costs recognized for the 26 weeks ended July 28, 2012 and July 30, 2011 were $1.0 million and $1.8 million, respectively. A significant component of these charges relates to costs allocated to PLG employees, as well as other CBI employees not solely dedicated to PLG. As of the 26 weeks ended July 28, 2012 and July 30, 2011, there were approximately 1.0 million and 1.2 million, respectively, equity incentive plan shares outstanding related to PLG specific employees. These awards and related amounts are not necessarily indicative of awards and amounts that would have been granted if PLG were an independent, publicly traded company for the periods presented. Total share-based compensation expense associated with PLG employees is summarized as follows:

	26 Weeks ended					
	July 28, 2012			July 30, 2011		
(dollars in millions)	PLG employees	Other employee allocations	Total	PLG employees	Other employee allocations	Total
Cost of sales	$ 0.2	$ —	$0.2	$ 0.1	$ 0.1	$0.2
Selling, general and administrative expenses	0.6	0.2	0.8	1.3	0.3	1.6
Share-based compensation expense before income taxes	$ 0.8	$ 0.2	$1.0	$ 1.4	$ 0.4	$1.8

No amount of share-based compensation was capitalized. As of July 28, 2012, the Company had unrecognized compensation expense related to PLG specific employees' nonvested awards of $2.7 million, which is expected to be recognized over a weighted average period of 1.0 years.

Note 8—Income taxes

The income taxes have been prepared on a separate return basis as if the Company was a stand-alone entity. Historically, the Company was included in tax filings with other CBI entities. The results from being included in the combined tax returns are included in Parent Company Investment. CBI's global tax structure and model has been developed based on its entire portfolio of businesses. Accordingly, the Company's tax results as presented are not reflective of the results that the Company will generate in the future or would have available for future use in another consolidated group.

Based on CBI's and the Company's historical operating structure, the Company participates in the Asian sourcing activities. These carve-out tax provisions reflect the Company's historical operating structure, and as such, the benefits associated with that structure are reflected in this tax provision for the Company on a stand-alone basis. All of the legal entities involved in the Asian sourcing structure will not be transferred to a buyer in a sale transaction. As a result, the Company's tax benefits received from the Asian sourcing structure in post-acquisition periods will depend on the buyer's operating structure. The rate differential on foreign earnings, net of valuation allowance, arises primarily from the Company's offshore entities that are subject to substantially lower local country income taxes.

The Company records income tax expense during interim periods based on its best estimate of the full year's effective tax rate. However, income tax expense relating to adjustments for certain discrete events are accounted for in the interim periods in which such events occur. The Company's effective income tax rate was 8.7% during the 26 weeks ended July 28, 2012, compared to a benefit rate of 944.1% during the 26 weeks ended July 30, 2011. The rate applied for 2011 is primarily the result of the impairment of indefinite-lived intangibles and the related tax benefit recorded relative to the low pre-tax book income. The rate applied for 2012 is primarily the result of significantly higher projected pre-tax income which has required current expense to be accrued, but there is no deferred expense impact due the full domestic valuation allowance recorded. The Company recorded $0.5 million of net favorable discrete events in the 26 weeks ended July 28, 2012 and $0.1 million of unfavorable discrete events for the 26 weeks ended July 30, 2011.

The framework established in the accounting for income taxes guidance requires that all available positive and negative evidence be weighed to determine whether a valuation allowance should be recorded. Based on the evidence available, the Company continues to maintain a valuation allowance related to the net deferred tax assets in the United States. Future provisions will only include accrued current tax expense. No tax expense or benefit with respect to the change in deferred tax assets will be provided until the valuation allowance in the United States is eliminated.

The Company has unrecognized tax benefits, inclusive of related interest and penalties, of $5.5 million and $5.6 million as of July 28, 2012 and July 30, 2011, respectively. The portion of the unrecognized tax benefits that would impact the effective income tax rate if recognized are $4.7 million and $3.9 million, respectively.

The Company anticipates that it is reasonably possible that the total amount of unrecognized tax benefits at July 28, 2012 will decrease by up to $1.0 million within the next 12 months. To the extent these tax benefits are recognized, the effective rate would be favorably impacted in the period of recognition by up to $0.6 million. The potential reduction primarily relates to potential settlements of on-going examinations with tax authorities and the potential lapse of the statutes of limitations in relevant tax jurisdictions.

The Company's U.S. federal income tax returns have been examined by the Internal Revenue Service through 2007. The Company has certain state and foreign income tax returns in the process of examination or administrative appeal.

Subsequent to July 28, 2012, the shareholders of CBI approved the proposed acquisition of CBI ("merger") and the consortium of companies acquiring CBI issued a request for repatriation of cash pursuant to the Merger Agreement. This repatriation will not occur until just prior to the merger, and the companies acquiring CBI are obligated to reimburse CBI for the cost of repatriation in the event the merger does not occur. PLG therefore has maintained its assertion of indefinite reinvestment of foreign earnings as of and for the period ending July 28, 2012.

Note 9—Related party transactions and parent company equity

Allocation of expenses

The unaudited Condensed Combined Financial Statements include expense allocations for certain functions provided by CBI, including, but not limited to, finance, legal, information technology, human resources, logistics, sourcing and other employee benefits and incentives. These expenses have been allocated to PLG on the basis of direct usage when identifiable, with the remainder allocated on the basis of net sales, headcount, store count, footwear units, level of effort or other measures. During the 26 weeks ended July 28, 2012 and July 30, 2011, PLG was allocated the following costs incurred by CBI which are included in the unaudited Condensed Combined Statements of Earnings as follows:

	26 Weeks ended	
(dollars in millions)	**July 28, 2012**	**July 30, 2011**
Cost of sales	$ 4.7	$ 6.8
Selling, general and administrative expenses	7.7	7.8
Total	$ 12.4	$ 14.6

The expense allocations have been determined on the basis that both PLG and CBI consider to be a reasonable reflection of the utilization of services provided or the benefit received by PLG during the periods presented. The allocations may not, however, reflect the expense PLG would have incurred as an independent company for the periods presented. Actual costs that may have been incurred if PLG had been a stand-alone company would depend on a number of factors, including the chosen organization structure and certain strategic decisions.

Included in the above allocations are expenses related to the Company's sourcing operations in Asia which are shared with CBI. Allocations of shared administrative, finance, information technology, human resources, etc. expenses relative to these operations totaled $2.5 million and $4.5 million in the first 26 weeks of 2012 and 2011, respectively, and are recorded within Cost of sales in the unaudited Condensed Combined Statements of Earnings. Additionally, for tax purposes, transfer price revenue associated with the Company's sourcing operations in Asia is included in the Company's foreign earnings (loss) before income taxes, with offsetting transfer price expense included in the Company's domestic earnings (loss) before income taxes.

Parent company investment

It is not meaningful to show share capital or retained earnings for the Company. The net assets of the Company are represented by the cumulative investment in the Company by CBI that is shown as Parent Company Investment, which comprises share capital, accumulated retained earnings of the Company, after eliminating investments within the Company's subsidiaries, as well as settlement of intercompany charges to/from CBI from/to the Company and net transfers of excess cash and cash equivalents. All significant transactions between the Company and CBI have been included in the unaudited Condensed Combined Financial Statements and are considered to be effectively settled for cash in the unaudited Condensed Combined Financial Statements at the time the transaction is recorded.

Net transfers (to) from Parent are included within Parent Company Investment on the unaudited Condensed Combined Statements of Parent Company Equity. The components of net transfers (to) from Parent are as follows:

(dollars in millions)	26 Weeks ended July 28, 2012	26 Weeks ended July 30, 2011
Net change in income tax accounts	$ 3.2	$ 1.6
Allocation of expenses	12.4	14.6
Cash pooling and general financing activities	(44.8)	9.4
Total net transfers (to) from Parent	$ (29.2)	$ 25.6

Note 10—Commitments and contingencies

There are no pending legal proceedings other than ordinary, routine litigation incidental to the business to which the Company is a party or of which its property is subject, none of which the Company expects to have a material impact on its financial position, results of operations or cash flows.

Note 11—Impact of recently issued accounting standards

In May 2011, the FASB issued ASU 2011-04, “Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs” (“ASU 2011-04”), which is effective for annual reporting periods beginning after December 15, 2011. This guidance amends certain accounting and disclosure requirements related to fair value measurements. The adoption of ASU 2011-04 did not have a significant impact on its unaudited Condensed Combined Financial Statements.

In September 2011, the FASB issued ASU 2011-08, “Testing Goodwill for Impairment”, which is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011; however, early adoption is permitted. Under the new guidance, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the entity determines that this threshold is not met, then performing the two-step impairment test is unnecessary. The adoption of ASU 2011-08 did not have a significant impact on its unaudited Condensed Combined Financial Statements.

In July 2012, the FASB issued ASU 2012-02, “Testing Indefinite-Lived Intangible Assets for Impairment”, which is effective for annual reporting periods, and interim periods within those years, beginning after September 15, 2012. ASU 2012-02 amends the guidance in ASC 350-30 on testing indefinite-lived intangible assets, other than goodwill, for impairment. The FASB issued the ASU in response to feedback on ASU 2011-08, which amended the goodwill impairment testing requirements by allowing an entity to perform a qualitative impairment assessment before proceeding to the two-step impairment test. Similarly, under ASU 2012-02, an entity testing an indefinite-lived intangible asset for impairment has the option of performing a qualitative assessment before calculating the fair value of the asset. Although ASU 2012-02 revises the examples of events and circumstances that an entity should consider in interim periods, it does not revise the requirements to test (1) indefinite-lived intangible assets annually for impairment and (2) between annual tests if there is a change in events or circumstances.

The Company does not believe ASU 2012-02 will have a significant impact on its unaudited Condensed Combined Financial Statements.

Note 12—Subsequent events

These unaudited Condensed Combined Financial Statements reflect management's evaluation of subsequent events through September 14, 2012, the date the financial statements were available to be issued.

Exhibit 99.7

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FOR IMMEDIATE RELEASE
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WOLVERINE WORLDWIDE ANNOUNCES OFFERING OF SENIOR NOTES

Rockford, Mich. — Sept. 24, 2012 — Wolverine Worldwide (NYSE: WWW) today announced that it intends to offer $375 million aggregate principal amount of senior notes due 2020 (the "Notes"). The Company intends to use the net proceeds from the offering to finance, in part, its acquisition of the Performance + Lifestyle Group business (the "PLG Business") of Collective Brands, Inc. ("CBI"), repay any amounts outstanding under, and terminate, its existing revolving credit facility, repay certain of CBI's indebtedness, and pay related fees and expenses. The Notes will be guaranteed by certain of the Company's domestic subsidiaries.

The Notes and related guarantees will be offered only to qualified institutional buyers under Rule 144A of the Securities Act of 1933, as amended (the "Securities Act"), and to non-U.S. persons in transactions outside the United States under Regulation S of the Securities Act. The Notes have not been registered under the Securities Act, and, unless so registered, may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This press release contains forward-looking statements. In addition, words such as "estimates," "anticipates," "believes," "forecasts," "plans," "predicts," "projects," "is likely," "expects," "intends," "should," "will," variations of such words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Risk Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. Risk Factors include, among others: the possibility that the acquisition of the PLG Business does not close; the Company's ability to realize the benefits of the acquisition of the PLG Business on a timely basis or at all; the Company's ability to combine its businesses and the PLG Business successfully or in a timely and cost-efficient manner; failure to obtain any required financing on favorable terms; the degree of business disruption relating to the acquisition of the PLG Business; the Company's ability to successfully develop its brands and businesses; changes in interest rates, tax laws, duty structures, tariffs, quotas or applicable assessments in countries of import and export including anti-dumping measures and trade defense actions; changes in consumer preferences, spending patterns, buying patterns or price sensitivity; changes in future pension funding requirements and pension expenses; the ability to secure and protect owned intellectual property or use licensed intellectual property; cancellation of orders for future delivery, or the failure of the Department of Defense to exercise future purchase options, award new contracts or the cancellation of existing contracts by the Department of Defense or other military purchasers; changes in planned customer demand, re-orders or at-once orders; changes in relationships with, including the loss of, significant customers; the availability and pricing of footwear manufacturing capacity; reliance on foreign sourcing; failure of international licensees and distributors to meet sales goals or to make timely payments on amounts owed; disruption of technology systems; regulatory or other changes affecting the supply or price of materials used in manufacturing; the impact of regulatory or legal proceedings and legal compliance risks; the availability of power, labor and resources in key foreign sourcing countries, including China; the cost, availability and management of raw materials, inventories, services and labor for owned and contract manufacturers; the impact of competition and pricing; the impact of restrictions on, or changes in the value of, foreign currencies; the development of new initiatives; the risks of doing business in developing countries, and politically or economically volatile areas; retail buying patterns; consolidation in the retail sector; changes in economic and market conditions, including the financial and credit markets, on the Company, its suppliers and customers; acts and effects of war and terrorism; seasonality and weather; problems affecting the Company's distribution system, including service interruptions at shipping and receiving ports; the failure to maintain the security of personally identifiable and other information of customers, stockholders and employees; and additional factors discussed in the Company's reports filed with the Securities and Exchange Commission and exhibits thereto. Other Risk Factors exist, and new Risk Factors emerge from time to time that may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Furthermore, the Company undertakes no obligation to update, amend or clarify forward-looking statements.

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