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KMART ANNOUNCES LAUNCH OF ITS SMART SENSE™ KMART BRAND

*Introduction of Exclusive Product Line Provides Customers
Wider Product Offerings at a Value*

Hoffman Estates, Ill. (Sept. 30, 2010) – Just in time for the holiday smart shopping season, Kmart announces the expansion of its brand portfolio with the introduction of the Smart Sense™ line, its new Kmart brand that includes a wide range of items including everything from snacks and beverages, to oral care, paper products, household cleaners and over-the-counter medications. The quality of the Smart Sense line is comparable to that of national name brands, and on average costs 20 percent less.

“With the introduction of the Smart Sense line, Kmart is looking to offer a more affordable Kmart brand product assortment that will rival the quality of more nationally recognized brands,” said Mark Snyder, chief marketing officer, Kmart. “While the Smart Sense line will offer the everyday essentials, Kmart is also taking it a step further by providing unique products that you wouldn’t typically expect to see under a store brand.”

The Smart Sense line currently consists of hundreds of products available in Kmart stores and the product line will expand to more than 1,200 items by early 2011. Kmart will also support the Smart Sense line launch through multiple communications channels, including advertising, coupon offers, merchandising displays, sampling, digital marketing and event marketing.

In addition to the introduction of the Smart Sense line, a new look has been created for many other Kmart brand products. The brighter and more vibrant packaging has been designed to capture the “colorful thinking” Kmart is demonstrating through its new product and brand announcements. In addition to the Smart Sense line roll-out, Kmart is also introducing products in a re-launch of its other exclusive brands, which include, Little Ones baby care products, Champion Breed pet care products, Image Essentials personal care products and VitaSmart vitamin products.

The Smart Sense line is part of the Kmart Smart Assist Savings Card. The program, which gives eligible unemployed customers a 20 percent discount off more than 1,200 regularly priced, high-quality Kmart brand grocery and drugstore staples, launched in 2009 and currently has more than 100,000 members. For more information, visit www.kmart.com/smartassist.

Smart Sense products can be found at 1,350 Kmart stores nationwide or online by visiting www.kmart.com.

About Kmart

Kmart, a wholly owned subsidiary of Sears Holdings Corporation (NASDAQ: SHLD), is a mass merchandising company that offers customers quality products through a portfolio of exclusive brands that include Jaclyn Smith, Joe Boxer, Country Living, Route 66 and Smart Sense. For more information visit the company's website at www.kmart.com or the Sears Holdings Corporation website at www.searsholdings.com.

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