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KMART INTRODUCES ONLINE LAYAWAY

Gives consumers a new way to shop in time for the holidays

Hoffman Estates, Ill., (Oct. 6, 2009) – In an ongoing effort to provide its customers with innovative ways to shop, Kmart has announced online layaway as part of its National Layaway Week, taking place Oct. 5 through Oct. 9. Online layaway at Kmart launches Friday, Oct. 9, allowing shoppers the option of using kmart.com to safely layaway holiday items using a secure online network.

On kmart.com, shoppers can browse items; have the option of placing those items on layaway through its online process and conveniently picking the items up at a local Kmart store. The online layaway process and easy-to-use Web site allow users to securely manage their layaway contracts.

Online Layaway Contract Management Features

- Layaway Availability Grid – Helps shoppers confirm the availability of their items at time of purchase.
- Layaway Calculator – Details the layaway payment schedule and down payment information on the layaway contract.
- Layaway Manager – Allows users to make payments; view their payment schedule and other contract details.
- Contract Management E-mails – Reminds shoppers of payment due dates.

Kmart's convenient online layaway comes at a time when layaway interest is strong. Online trends show the word "layaway" had more than double the interest among U.S. searchers in August 2009 than it had in August 2008. Kmart's layaway program has seen double-digit increases in layaway customers and sales in 2008. This increased consumer interest inspired Kmart to create online layaway, empowering customers to manage their lives more conveniently.

"We have an entire generation of customers that grew up shopping online," said Mark Snyder, chief marketing officer, Kmart. "Launching online layaway at Kmart engages these customers by allowing them to spread their payments out over time and better plan their spending."

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Kmart Online Layaway Add One

Online layaway is also available at Sears. With programs like the Christmas Club Card and now online layaway, Sears and Kmart continue to respond to a broad range of consumer needs. These programs give customers the flexibility to shop any way they prefer, whether in store or from the comfort of their own homes.

Online Layaway Transaction Guidelines

- When initiating a layaway contract online, customers enter their zip code to select a Kmart store to hold their layaway items. Merchandise must be picked up when final payment is made at that location.
- Customers who initiate layaway contracts in store also can make payments online by logging in/registering and entering their layaway contract number from their in-store receipt.
- Similar to Kmart's traditional layaway, online layaway users have eight weeks to pay for items in full.
- Payments must be made biweekly online or at any register in the Kmart store where the layaway order is held.
- Customers pay only a \$5 initiation fee to start a layaway contract (fees may vary by state).
- Customers must make a down payment of \$15 or 10 percent (whichever is greater).
- Online layaway customers can use one or any combination of these acceptable payment options: credit card (Sears credit card, Visa, MasterCard, Discover, American Express), debit card, Kmart Gift Card or Kmart Cash Card.
- Layaway purchases are protected by Kmart's 90-day return policy. If for any reason a customer is not satisfied, products can be returned for a refund, with receipt, at any Kmart store, within 90 days after the final layaway payment date (some exceptions apply).

About Sears Holdings Corporation

Sears Holdings Corporation is the nation's fourth largest broadline retailer with approximately 3,900 full-line and specialty retail stores in the United States and Canada. Sears Holdings is the leading home appliance retailer as well as a leader in tools, lawn and garden, home electronics and automotive repair and maintenance. Key proprietary brands include Kenmore, Craftsman and DieHard, and a broad apparel offering, including such well-known labels as Lands' End, Jaclyn Smith and Joe Boxer, as well as the Apostrophe and Covington brands. It also has the Country Living collection, which is offered exclusively by Sears and Kmart. We are the nation's largest provider of home services, with more than 12 million service calls made annually. Sears Holdings Corporation operates through its subsidiaries, including Sears, Roebuck and Co. and Kmart Corporation. For more information, visit Sears Holdings' Web site at www.searsholdings.com.