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**KMART CELEBRATES HALLOWEEN WITH SPOOKTACULAR PRODUCTS AVAILABLE
IN STORE AND ONLINE, PLUS A \$3,000 CONTEST**

Kmart offers a wide range of affordable costumes, sweet treats, scary decorations and exclusive items

Hoffman Estates, Ill., Oct. 11, 2010 – Kmart has everything consumers need to make Fright Night fantastic. The budget-friendly retail chain has launched a whole line of Halloween items that are Totally Ghoul and give a nod to the four Fs of Halloween: freaky, family, frugal and fabulous. With thousands of affordable costumes, candy by the bagful and spooktacular decorations for inside and outside every haunted house, Kmart's valued customers can decide which of the four Fs fits their Halloween personality.

To help support even more freaky and fabulous parties, Kmart is giving away over \$3,000 in the "Shock the Block" contest to find the most spooktacular party of the season.

"With Halloween on a Sunday, there's lots of opportunity for freaky and fabulous parties! We have even more exclusive costumes, new Kmart exclusive Totally Ghoul décor items" said Dev Mukherjee, president, Seasonal & Toys, Sears Holdings. "There's something for everyone in store and online. Our online experience at www.kmart.com/Halloween offers a costume finder, décor selection and everything else Halloween, all on a fun, interactive digital platform that helps our customers plan their perfect party. That huge spider still scares me."

In keeping with Kmart's legendary emphasis on value for families, the retailer is offering Halloween items that follow the four Fs. All of Kmart's Halloween items are frugal, but this year's new spooky-season items go above and beyond great value—they're freaky, family-friendly and fabulous, too (sometimes all at once)!

With family-friendly costumes, your whole brood can dress up in themes—Crayola crayons will brighten up the night; the Hasbro toy collection will have everyone feeling playful; or if you want an extra sweet Halloween, turn your family into M&Ms this year. Trick or Treat has never been yummiest!

For those who prefer a "Freaky" Halloween, Kmart has plenty of costumes to frighten friends and anyone brave enough to open the door—the spookier options include Pumpkin Slayer, Vampires, Zombies and countless other scary outfits. (id you know that zombies are the new vampires? It's true! But if your teen or tween—or significant other—still has a thing for the bloodsuckers, we have full vampire accoutrement, too.

And if you're a Halloween hero who goes all out for the most spooktacular night of the year, then the fabulous costumes are a perfect fit. Kmart carries over-the-top options for all sizes from infant monkey suits and tween Tinkerbell tutus to a formal Queen of Hearts ensemble.

This season Kmart has amped up its decorative options, offering freaky, family-friendly, fabulous and frugal Halloween decorations—available in stores or online. From giant fake spiders to spider victims and dancing skeletons, everyone can create the scariest haunted house on the block.

New Halloween décor items that can be found exclusively at Kmart, either in stores or online, include: life-sized animated creepy butler, animated three-foot witch that cackles and talks and Disney and Peanuts air-blown pumpkins. There are other great Halloween décor items for each of the four trend areas—so everyone can customize their haunts.

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In addition, Kmart is launching its online Shock the Block contest (running from Oct. 1 to Oct. 20) to reward some lucky customers with even more spending power this holiday season—one grand prize winner will receive a \$2,000 Kmart gift card, while five first-place winners will each receive a \$200 Kmart gift card.

To shop Kmart's line of Halloween items online and find online-only specials, please visit www.kmart.com.

Shock the Block Contest details:

No purchase necessary. Contest begins on 10/1/10 and ends on 10/20/10. Contest open to legal residents of the forty-eight (48) contiguous United States and the District of Columbia who are 18 or older at the time of entry. Void in Alaska, Hawaii and where prohibited. See Official Rules at www.kmart.com/shocktheblock.

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.